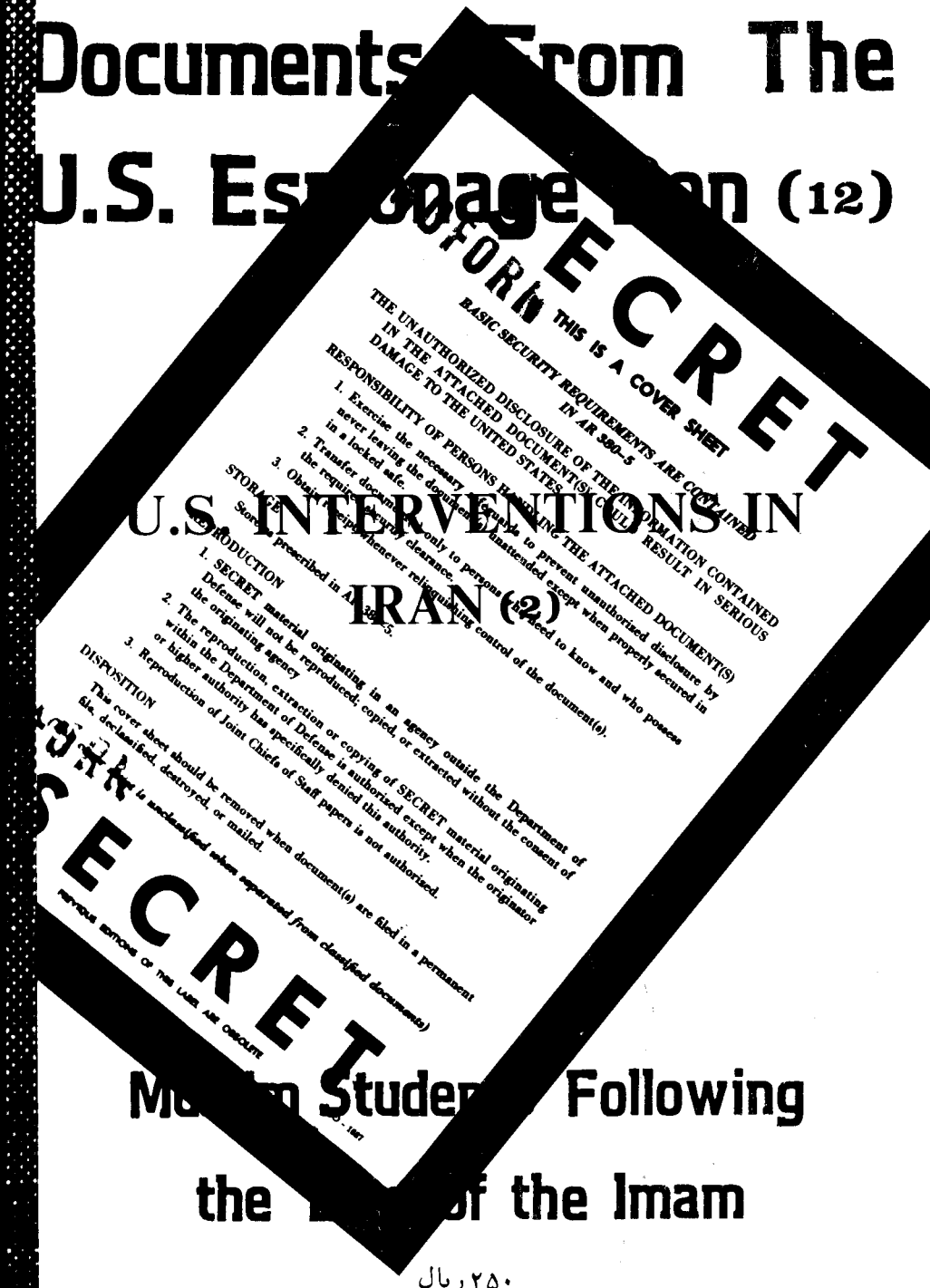
Documents From The U.S. Espionage Den (12)



U.S. INTERVENTIONS IN IRAN (2)

Muslim Students Following the Line of the Imam

۲۵۰ ریال

SECRET

COUNTRY POLICY SUMMARY AND PROGRAM ANALYSIS, IRAN

(Extract)

I. BASIC POLICY OBJECTIVES AND THEIR IMPLICATIONS

1. To maintain the sovereign independence and territorial integrity of Iran. This requires:

a. The will of Iran to remain independent and to defend itself.

b. The ability to discourage limited Soviet attacks on Iranian territory and, in the case of outright Soviet or Soviet-supported aggression, to delay it until Iran's allies can react.

c. Enhancement of internal loyalties, especially in areas of Iran which might become subject to foreign-inspired insurgency.

d. Ability to control such insurgency if it occurs

e. The ability to discourage and, if necessary, to resist alone an attack by a neighboring country unsupported by the USSR.

2. To maintain the cooperative relationship between the U.S. and Iran, particularly in military matters. This requires:

a. Continued Iranian understanding of the mutuality of Iranian interests and those of the Free World.

b. A mutually beneficial military relationship between Iran and the U.S.

c. A favorable U.S. image as effective guarantor of Iranian security and as a friendly power interested in Iranian independence and progress.

d. Specifically, such an image not only with the present governing elite but also with the likely successors to that elite.

e. Demonstration of our devotion to the objective of making Iran progressively less dependent on foreign assistance.

3. To assure stability, with its necessary concomitant of orderly evolutionary change. This requires:

a. Maintenance of the Shah's position as a fulcrum of power and as a symbol of national unity.

b. A sound balance between military programs on the one hand and economic and social programs on the other.

c. Economic growth that substantially exceeds population growth and visibly benefits the Iranian people or holds out the prospect of tangible benefits in the foreseeable future.

d. A sense of dynamism, a spirit of reform, and an expectation of social justice.

e. Capability to control internal disorders, and maintenance of internal security by means that are not arbitrarily repressive.

f. Increasing national consensus by giving especially urban Iranians an increasing sense of "government by the consent of the governed."

g. Increasing skills in operating a modern economy and an effective government.

4. To assure continued availability of Iranian oil to our European allies. This requires:

Maintenance of the existing climate of cooperation between Iran and Western oil companies.

NATIONAL POLICY PAPER (Excerpt)

C. U S Objectives

United States objectives in Iran are pursued within the framework of our particular relationship with the monarchy of that country. The Iranian monarchy provides the stability not yet available through popular institutions or long popular experience in organized political affairs. It is, at present, the sole element in the country that can provide continuity for public policy. While there are areas of divergence between us and the Shah, they have remained thus far more matters of emphasis than of essence, not particularly significant within the broad consensus we share with him on most of the really fundamental issues of foreign and domestic policy. While the United States is not necessarily committed to the support of any particular form of Government in Iran, the Shah at present affords the best means for the safeguarding of our basic security interests in Iran and is the only personality on the scene who can lead the anarchically-bent Persians. Thus, until another potentially viable power source appears, which we do not expect during the next two to five years, support for the Shah and his reformist programs will form the basic condition of our pursuit of the following objectives:

1. An independent and increasingly self-reliant Iran, free from any foreign domination or aggression, and motivated to cooperate with the West in:

a. Taking such measures as lie within Iranian power to frustrate Soviet clandestine activities within Iran and Soviet expansion toward Suez and the Persian Gulf;

b. Providing access to Iranian soil for Western forces in the event of conflict, including retention of over-flight privileges;

c. Stimulating developing relations with neighboring countries so that there evolves in the course of time a more friendly relationship between Iran and its non-communist neighbors to promote greater stability and cooperation in the Middle East, particularly Persian Gulf, area.

2. Evolution of a new but still mutually rewarding relationship between the United States and Iran, in a climate of increasing Iranian public understanding that the United States role is that of assisting Iran in its national development rather than of directing its course.

3. An effective Iranian Government which, through the increase of strength and the improvement of administrative efficiency, will command the respect and support of broader segments of the population, especially among intellectuals -- teachers, university students, professional men, etc. -- and provincial leaders.

4. A sound, well managed economy which properly balances military and development expenditures so that the already large and rapidly growing wealth of the country can be used for orderly, self-sustaining economic growth and steady improvement of the standard of living.

5. The development and strengthening of political, social and economic institutions which will provide the means for orderly and peaceful transfer of power, as necessary, and in the longer term facilitate increased participation of ever-widening sectors of society in their own government.

6. Continued access for the West to Iranian resources, principally petroleum, on acceptable terms.

7. Continued United States access to expanding Iranian markets.

AmEmbassy TEHRAN

ACTION: [illegible] CONTROL NO. 14687

DEC 1 1977

INFO: R 1221[illegible]Z DEC 77
FM SECSTATE [illegible]
AMB TO AMEMBASSY TE[illegible] 1025
DCM BT
SA S E C R E T STATE 295436
POL
ECON FOR THE AMBASSADOR
FM E.O. 11652: GDS
USIS TAGS:IR
CONS
ORD SUBJECT:AMBASSADOR'S GOALS AND OBJECTIVES IN IRAN
ADM
GSO 1. THIS TELEGRAM TRANSMITS A STATEMENT OF US FOREIGN
RF POLICY GOALS AND OBJECTIVES IN IRAN. A SEPARATE MESSAGE
PER WILL PROVIDE EXPLANATORY INFORMATION ON THE PURPOSE,
IMPLEMENTATION AND REVIEW OF THESE STATEMENTS.
RSO
MSG 2. BEGIN TEXT. I. A SUSTAINED POLITICAL/ECONOMIC
TSO RELATIONSHIP BUILT UPON TRUST AND CONFIDENCE.
SCRO -- DEVELOP AND MAINTAIN A RELATIONSHIP OF TRUST AND
CRO CONFIDENCE WITH THE SHAH.
CEO
MP -- ASSESS THE RANGE OF EMBASSY CONTACTS IN THE IMPORTANT
DAO SEGMENTS OF IRANIAN SOCIETY AND INITIATE STEPS, IF
MAAG NECESSARY, TO EXPAND RELATIONSHIPS, ALSO TAKING INTO
ACCOUNT THE POSSIBLE OPPORTUNITIES PRESENTED BY THE NEW
POLITICAL LIBERALIZATION IN IRAN.
AGR
DEA -- WORK AS CLOSELY WITH PRIME MINISTER AMOUZEGAR AND
IRS HIS CABINET AS THEY WILL PERMIT TO ASSIST AND ADVISE
TCTR THEM IN THEIR EFFORTS TO CORRECT THE MOST SERIOUS IM-
FAA BALANCES WHICH HAVE DEVELOPED IN THE LAST THREE YEARS.
TU
CRU II. AN ENHANCED US-IRANIAN RELATIONSHIP IN NON-MILITARY
SHIR FIELDS.
TABR
ISFA -- ENCOURAGE THE CONTINUATION OF A RELIABLE PETROLEUM
SUPPLY FOR THE UNITED STATES AND ITS CLOSEST ALLIES AND
THE ADOPTION OF A MODERATE PRICING POLICY. EXPLAIN U.S.
ENERGY POLICIES AND PROGRAMS, AND THE NEED OF THE WORLD
ECONOMY FOR OIL AT BEARABLE PRICES.

-- FACILITATE AN INCREASE IN THE UNITED STATES' SHARE OF
THE MARKET IN IRAN AND BE PREPARED TO USE THE WEIGHT OF
THE AMBASSADOR'S OFFICE IN SUPPORT, AT A MINIMUM, OF NONN-
DISCRIMINATORY ACCESS BY AMERICAN FIRMS TO BUSINESS
OPPORTUNITIES IN IRAN.

-- ASSESS HOW WE CAN MAKE THE U.S.-IRAN JOINT COMMISSION
MORE EFFECTIVE, INCLUDING HOW TO INVOLVE THE U.S. PRIVATE
SECTOR MORE FULLY.

-- WORK CLOSELY WITH THE SHAH AND DR. ETEMAD OF THE ATOMIC ENERGY ORGANIZATION OF IRAN TO FIND WAYS IN WHICH WE CAN MEET THE PRESIDENT'S NON-PROLIFERATION OBJECTIVES AND REACH A BILATERAL AGREEMENT WITH IRAN.

-- MAINTAIN U.S. INTELLIGENCE-GATHERING PRIVILEGES IN IRAN.

-- SUPPORT EFFORTS TO ENGAGE THE GOI MORE FULLY IN THE NARCOTICS PROGRAM FOR AFGHANISTAN.

-- IMPROVE PROCEDURES RELATED TO THE HEAVY DEMAND FOR U.S. COLLEGE EDUCATION BY IRANIAN STUDENTS AND COOPERATE AS APPROPRIATE IN THE DEVELOPMENT OF IRAN'S UNIVERSITY SYSTEM.

-- CONTINUE TO PRESS IRAN FOR FULL PAYMENT OF THE DELINQUENT SURPLUS PROPERTY DEBT.

III. ; CAREFULLY COORDINATED MILITARY RELATIONSHIP INCLUD- GO ING THE MILITARY SUPPLY PROGRAM.

-- OPEN A CAREFUL DIALOGUE WITH THE SHAH ON HIS MILITARY NEEDS WITH THE AIM OF AVERTING UNESSENTIAL MILITARY SALES REQUESTS.

-- CAREFULLY SUPERVISE EXISTING AND ANTICIPATED FOREIGN MILITARY SALE CASES.

-- CLOSELY MONITOR ACTIVITIES OF THE REPRESENTATIVES OF U.S. ARMS MANUFACTURERS TO ENSURE THAT THEY ARE OBSERVING THE NEW REGULATIONS ON SALES PROMOTION AND SEEK WAYS TO REDUCE THE NUMBER OF U.S. DEFENSE-RELATED CONTRACTOR PERSONNEL IN IRAN TO THEIR ESSENTIAL NUMBERS.

-- MONITOR OUR MILITARY SUPPLY RELATIONSHIP TO ENSURE THAT LEGITIMATE IRANIAN DEFENSE NEEDS ARE MET WITHIN THE FRAMEWORK OF CURRENT ARMS TRANSFER GUIDELINES.

-- MAINTAIN U.S. OVERFLIGHT RIGHTS AND ACCESS TO IRANIAN PORTS FOR NAVAL SHIPS.

IV. MAINTENANCE OF IRAN'S BALANCED POSTURE IN REGIONAL AFFAIRS.

-- ENCOURAGE IRAN'S BALANCED APPROACH TO ARAB-ISRAELI AFFAIRS AND ITS SUPPORT FOR62 OUR MIDDLE EAST PEACE NEGOTIATIONS.

-- ENCOURAGE THE MAINTENANCE OF A POSITIVE IRANIAN RELATIONSHIP WITH ISRAEL, INCLUDING AN OIL SUPPLY LINK.

-- MAINTAIN IRAN'S OPPOSITION TO PAKISTAN REPROCESSING.

-- SUPPORT SAUDI ARABIA-IRAN COOPERATION CONCERNING PERSIAN GULF SECURITY AND KEEP INFORMED, ALONG WITH IRAN, ON RELEVANT SECURITY DEVELOPMENTS AMONG IRAN'S NEIGHBORS.

-- ENCOURAGE IRAN TO SUPPORT OUR PRINCIPAL INITIATIVES IN AFRICA.

V. IMPROVEMENT IN IRAN'S HUMAN RIGHTS PERFORMANCE.

-- REVIEW WITH THE SHAH AND OTHERS, ON APPROPRIATE OCCASIONS, UNITED STATES HUMAN RIGHTS POLICIES. ENCOURAGE IMPROVEMENTS IN THE HUMAN RIGHTS SITUATION IN IRAN, FOR EXAMPLE, BY NOTING FAVORABLE POSITIVE DEVELOPMENTS AND BY EXPLAINING THE REPERCUSSIONS OF IRAN'S UNFAVORABLE HUMAN RIGHTS IMAGE.

END TEXT. CHRISTOPHER

TELEGRAM

11269

INDICATE
☐ COLLECT
☐ CHARGE TO
2108197 DEC 77

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	LIMITED OFFICIAL USE

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

ACTION: SECSTATE WASHDC IMMEDIATE

LIMITED OFFICIAL USE TEHRAN 11269

E.O. 11652: N.A.

TAGS: OREP (WOLFF, LESTER)

SUBJECT: CODEL WOLFF TEHRAN SCHEDULE

REF: (A) STATE 302205; (B) TEHRAN 11074; (C) TEHRAN 10732

1. PRIME MINISTER HAS OFFERED TO HOST WORKING LUNCH FOR CODEL WOLFF TO BRIEF CODEL ON ITS INTERESTS. CONGRESSMEN PLUS SENIOR STAFF REPRESENTATIVES WOULD BE INCLUDED. EMBASSY WOULD PROVIDE IN-HOUSE BRIEFING (REF C) EITHER BEFORE OR AFTER LUNCH, DEPENDING ON TIMING. WIVES AND REMAINING STAFF WOULD BE PROVIDED OPPORTUNITY TO TOUR CITY BY BUS AND VISIT SHAHYAD MONUMENT, PER REF (C). ALTERNATIVELY, IF CODEL DESIRES, PRIME MINISTER PREPARED TO BRIEF ENTIRE GROUP WITHOUT LUNCH.

POL3
AMB
DCM
SA
ADMIN
RSO
CRU
9sa

2. AMBASSADOR STRONGLY ADVISES CODEL TO ACCEPT PRIME MINISTER'S INVITATION. AMOUZEGAR IS AN ASTUTE, ARTICULATE, DYNAMIC INDIVIDUAL WHO HAS PLAYED AN IMPORTANT ROLE IN

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
POL:JDStempel:nbt	12/21/77	1112	CHARGE: JACK C. MIKLOS

CLEARANCES:

LIMITED OFFICIAL USE
CLASSIFICATION

OPTIONAL FORM 1
(Formerly FS-41
January
Dept. of

50152 101

GOI SINCE LATE FIFTIES, PARTICULARLY IN RECENT YEARS AS IRAN'S OPEC DELEGATE. WHILE MINISTER OF INTERIOR FROM 1974-76, HE WAS ALSO KEY FIGURE IN GETTING IRANIAN NARCOTICS CONTROL PROGRAM GOING.

3. FAILURE OF CODEL TO ACCEPT AT LEAST BRIEFING BY PRIME MINISTER AFTER COURT MINISTRY (SHAH) ASKED HIM TO UNDERTAKE TASK WOULD BE POORLY UNDERSTOOD AND MIGHT LEAVE NEGATIVE IMPRESSION WHICH EMBASSY, AND WE CONFIDENT CODEL, WOULD WISH TO AVOID.

4. PLEASE ADVISE.

MIKLOS

1978 JAN 11 PM 11:07

TELEGRAM

INDICATE
COLLECT
CHARGE TO

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	SECRET

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

DCM2
AMB
POL 2
ECON2
PM
USIS
CONS
OR2
DAO
MAAG2
CRU1
POUCH
SHIR
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ISFA2

20/reh

ACTION: SECSTATE WASHDC

SECRET TEHRAN 0367

E.O. 11652: GDS
TAGS: AMGT, PFOR, IR
SUBJ: GOALS AND OBJECTIVES IN IRAN
(A)
REF: /77 STATE 291277; (B) 77 STATE 295486

1. WE NOTE WITH APPRECIATION DEPARTMENT'S RECOGNITION THAT AS STATEMENTS OF GOALS AND OBJECTIVES SHOULD NOT BE VIEWED/~~WITH~~ FIXED OR IMMUTABLE. WE HAVE EXAMINED WITH CARE THOSE SET FORTH IN REFTEL B. IN LARGE MEASURE WE BELIEVE THEY ARE REALISTICALLY ACHIEVABLE AND ADDRESS OUR CENTRAL CONCERNS AND INTERESTS IN IRAN. WE HAVE, HOWEVER, MODIFIED AND EXTENDED THIS STATEMENT TO TAKE INTO ACCOUNT RECENT DEVELOPMENTS AND SLIGHTLY ALTERED PERCEPTIONS OF WHAT OUR CURRENT GOALS AND OBJECTIVES OUGHT TO BE. THERE FOLLOWS A FULL RESTATEMENT IN THE FORMAT USED IN REFTEL B.

2. BEGIN TEXT. I. A SUSTAINED POLITICAL/ECONOMIC RELATIONSHIP BUILT UPON TRUST, CONFIDENCE, AND MUTUAL RESPECT.

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
DCM:JCMIKLOS/sw	1/10/78	1102	DCM:JCMiklos/sw

CLEARANCES:

SECRET
CLASSIFICATION

OPTIONAL FORM 15
(Formerly FS-41
January
Dept. of

50:52-101

-- MAINTAIN AND REINFORCE THE RELATIONSHIP OF TRUST AND CONFIDENCE ESTABLISHED WITH THE SHAH.

-- ASSESS THE RANGE OF EMBASSY CONTACTS IN THE IMPORTANT SEGMENTS OF IRANIAN SOCIETY AND INITIATE STEPS TO EXPAND RELATIONSHIPS TO THE EXTENT POSSIBLE WITH THOSE FORCES AND GROUPS WHICH ARE EVOLVING INTO IMPORTANT CENTERS OF INFLUENCE AS IRAN MODERNIZES. THIS SHOULD TAKE INTO ACCOUNT OPPORTUNITIES PRESENTED BY RECENT EASING OF SOME GOVERNMENT STRICTURES ON POLITICAL ACTIVITY, RECOGNIZING THAT SOME RISKS MAY BE INVOLVED IN CERTAIN CASES REQUIRING THAT WE PROCEED SELECTIVELY AND PRUDENTLY.

-- ENCOURAGE PRIMIN AMOUZEGAR AND HIS CABINET TO REFLECT ON IRAN'S LONG-TERM ECONOMIC GOALS AND TO PLAN A SPECIFIC AND INTEGRATED PROGRAM OF INITIATIVES DESIGNED TO MAINTAIN ECONOMIC MOMENTUM AS OIL REVENUES INEVITABLY DIMINISH. IN THIS RESPECT ENCOURAGE AND SUPPORT IRANIAN INITIATIVES TO SEEK OUTSIDE EXPERT ASSISTANCE AND ADVICE FROM THE IBRD AND OTHER APPROPRIATE SOURCES.

-- ENGAGE FULL RANGE OF USIS CAPABILITIES IN KEEPING IRANIAN DECISIONMAKERS AND OPINION MOLDERS INFORMED OF US POLICIES AND ATTITUDES AFFECTING IRANIAN INTERESTS AND IRANIAN-US RELATIONS.

II. AN ENHANCED US-IRANIAN RELATIONSHIP IN NON-MILITARY FIELDS.

-- ENCOURAGE THE CONTINUATION OF A RELIABLE PETROLEUM SUPPLY FOR THE UNITED STATES AND ITS CLOSEST ALLIES AND THE ADOPTION OF A MODERATE PRICING POLICY. EXPLAIN U.S. ENERGY POLICIES AND PROGRAMS, AND THE NEED OF THE WORLD ECONOMY FOR OIL AT BEARABLE PRICES.

-- FACILITATE AN INCREASE IN THE UNITED STATES' SHARE OF THE MARKET IN IRAN AND BE PREPARED TO USE THE WEIGHT OF THE AMBASSADOR'S OFFICE IN SUPPORT, AT A MINIMUM, OF NONDISCRIMINATORY ACCESS BY AMERICAN FIRMS TO BUSINESS OPPORTUNITIES IN IRAN.

-- ASSESS HOW WE CAN MAKE THE US-IRAN JOINT COMMISSION MORE EFFECTIVE, INCLUDING HOW TO INVOLVE THE US PRIVATE SECTOR MORE FULLY.

-- PURSUE WITH DR. ETEMAD AND HIS ATOMIC ENERGY ORGANIZATION ASSOCIATES FORMULATION OF FINAL TEXT OF US-IRANIAN NUCLEAR COOPERATION AGREEMENT WHICH MEETS PRESIDENT'S NONPROLIFERATION OBJECTIVES.

-- MAINTAIN US INTELLIGENCE-GATHERING PRIVILEGES IN IRAN, AND CONTINUE TO PROVIDE QUID PRO QUO LIAISON SUPPORT IN RESPONSE TO THESE PRIVILEGES. CAREFULLY WEIGH ANY PROPOSALS FOR ADDITIONAL PRIVILEGES TO ENSURE THAT THEY DO NOT ENDANGER EXISTING ASSETS.

-- SEEK TO ENGAGE IRAN MORE FULLY IN REGIONAL NARCOTICS EFFORTS AIMED AT REDUCING NARCOTICS PRODUCTION IN AFGHANISTAN AND PAKISTAN AND REDUCING ILLICIT NARCOTICS

TRAFFIC INTO AND THROUGH IRAN.

-- WORK WITH GOI MINISTRY OF EDUCATION TO IMPROVE PROCEDURES IN THE EVALUATION AND PROCESSING OF IRANIANS SEEKING AN EDUCATION IN THE US.

-- EXPAND OPPORTUNITIES FOR IRANIAN STUDENTS PLANNING TO STUDY IN THE US TO RECEIVE APPROPRIATE ORIENTATION, COUNSELING, AND ENGLISH INSTRUCTION PRIOR TO THEIR DEPARTURE.

-- CONTINUE TO PRESS IRAN FOR FULL PAYMENT OF THE DELINQUENT SURPLUS PROPERTY DEBT.

III. CAREFULLY COORDINATED MILITARY RELATIONSHIP INCLUDING THE MILITARY SUPPLY PROGRAM.

-- MAINTAIN A CONTINUING DIALOGUE WITH THE SHAH AND HIS PRINCIPAL MILITARY ADVISORS ON HIS MILITARY NEEDS WITH THE AIM OF AVERTING NONESSENTIAL MILITARY SALES REQUESTS.

-- CAREFULLY SUPERVISE EXISTING AND ANTICIPATED FOREIGN MILITARY SALE CASES.

-- CLOSELY MONITOR ACTIVITIES OF THE REPRESENTATIVES OF US ARMS MANUFACTURERS TO ENSURE THAT THEY ARE OBSERVING THE NEW REGULATIONS ON SALES PROMOTION AND SEEK WAYS TO REDUCE THE NUMBER OF US DEFENSE-RELATED CONTRACTOR PERSONNEL IN IRAN TO THEIR ESSENTIAL NUMBERS.

-- MONITOR OUR MILITARY SUPPLY RELATIONSHIP TO ENSURE THAT LEGITIMATE IRANIAN DEFENSE NEEDS ARE MET WITHIN THE FRAMEWORK OF CURRENT ARMS TRANSFER GUIDELINES.

REEXAMINE US-IRAN MILITARY COOPERATION RELATIONSHIP TO ENSURE ~~TAT~~ THAT IT IS CONSISTENT WITH PUBLIC LAW 95-92.

-- ENCOURAGE GOI TO ACCEPT INCREASED RESPONSIBILITY FOR DEVELOPMENT OF IMPROVED MILITARY MANAGEMENT, PLANNING, AND INTERNAL STAFFING TECHNIQUES WITH THE ULTIMATE OBJECTIVE OF ELIMINATING DEPENDENCE ON US MILITARY ADVICE AND ASSISTANCE.

-- MAINTAIN US OVERFLIGHT RIGHTS AND ACCESS TO IRANIAN PORTS FOR NAVAL SHIPS.

IV. MAINTENANCE OF IRAN'S BALANCED POSTURE IN REGIONAL AFFAIRS.

-- ENCOURAGE THE CONTINUATION OF IRAN'S BALANCED APPROACH TO ARAB-ISRAELI AFFAIRS AND ITS SUPPORT FOR OUR MIDDLE EAST PEACE NEGOTIATIONS.

-- ENCOURAGE THE MAINTENANCE OF A POSITIVE IRANIAN RELATIONSHIP WITH ISRAEL, INCLUDING AN OIL SUPPLY LINK.

-- MAINTAIN IRAN'S OPPOSITION TO PAKISTAN REPROCESSING.

-- SUPPORT IRAN'S COOPERATION WITH SAUDI ARABIA, OMAN, AND OTHER ARABIAN PENINSULA STATES ON PERSIAN GULF SECURITY, KEEPING INFORMED ON RELEVANT SECURITY DEVELOPMENTS IN IRAQ ~~and~~ AND IRAN'S OTHER REGIONAL NEIGHBORS.

-- ENCOURAGE A CONTINUATION OF RESPONSIBLE IRANIAN COOPERATION WITH AFGHANISTAN, PAKISTAN, AND INDIA IN BOTH POLITICAL AND ECONOMIC SPHERES.

-- ENCOURAGE IRANIAN SUPPORT OF OUR PRINCIPLE POLICIES IN AFRICA.

V. IMPROVEMENT IN IRAN'S HUMAN RIGHTS PERFORMANCE.

-- REVIEW WITH THE SHAH AND OTHER RESPONSIBLE OFFICIALS, ON APPROPRIATE OCCASION, US HUMAN RIGHTS POLICIES, FOCUSING ON IMPROVEMENT IN HUMAN RIGHTS (WHICH IS ATTAINABLE) AS OPPOSED TO PUSHING FOR CHANGES IN THE POLITICAL SYSTEM (WHICH MAY SMACK OF FOREIGN INTERFERENCE AND BE COUNTERPRODUCTIVE), NOTING THE IMPACT AN UNFAVORABLE IRANIAN PUBLIC IMAGE ON THIS ISSUE MIGHT HAVE ON IRAN'S INTERNATIONAL POSTURE IN THE US AND ELSEWHERE.

SULLIVAN

DEPARTMENT OF STATE

AIRGRAM

FOR RM USE ONLY

SECRET

Tehran A-10

HANDLING INDICATION

NO

TO Department of State

FROM : Amembassy TEHRAN

DATE: January 11, 1978

E.O. 11652: GDS

SUBJECT: Ambassador's Goals and Objectives in Iran

TAGS: AMGT, IR

REF : (A) State 295486; (B) State 291277; (C) Tehran 0367

I welcome the opportunity to discuss in this airgram the approaches which I intend to follow in order to ensure that this Mission effectively pursues the goals and objectives whi the United States Government seeks to achieve in Iran. In Ref (C), the Country Team and I have commented on the statemer transmitted by Ref (A). We indicated that we considered that statement a reasonable and satisfactory program for our diplomacy.

My first approach to this program has been organizationa I have attempted to make the Country Team a more tightly-knit unit. To this end, I have instituted daily meetings of the T and have particularly included the Chief of Armish-Maag in th daily sessions. Since he controls the largest element of the Mission (over 1300 U.S. military officers, enlisted men and U.S. civilian employees) and handles the most expensive progr ($18 billion), I believe that this move has significantly enhanced the effectiveness of the Mission's organization.

Following patterns I have employed in the direction of other large Missions, I attempt to handle the largest possibl volume of our activities in our daily meetings so that each element of the Country Team is aware of the actions and the problems of all other elements. I encourage the broadest possible sharing of information within the Country Team and the participation of all members, under the chairmanship of the Deputy Chief of Mission, in the formulation of all policy recommendations.

SECRET

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In Out

FORM DS-323 4-62

WHSullivan:psw 1/11/78

Contents and Classification Approved By: AMB

Proceeding from this organizational base, the Mission has undertaken the task of realizing our numerous and complex proposals. I shall review them under the major headings employed in Ref (A).

I. A Sustained Political/Economic Relationship Built Upon Trust and Confidence

When the Carter Administration took office, the Shah and the Government of Iran were uncertain about its interests in this part of the world, its commitments to previous agreements, and its attitude towards the Shah as a ruler. As a result of the Shah's State Visit to Washington in November and President Carter's official visit to Tehran at the end of December, these uncertainties have been totally dissipated. In the aura of this situation, I feel I have been able to develop a relationship of trust and confidence with the Shah. I regularly have long talks with him on a whole range of subjects and these discussions are marked by candor on both sides.

To maintain this sort of relationship, I will need to be able to provide him authoritative information on matters of mutual interest, such as the Middle East, the SALT talks, the Indian Ocean discussions, etc. While the President has made clear that he wishes this sort of information passed to the Shah, the bureaucracy is sometimes reluctant to disgorge it in a timely fashion. I shall continue to press Washington on these matters.

From time to time I shall also suggest Presidential correspondence with the Shah. This will be on subjects which have been discussed between the two Chiefs of State. I will, of course, appreciate any correspondence from the President which Washington may generate on its own initiative. Given the highly personalized structure of leadership in this country, such personal correspondence is an excellent vehicle of confidence.

Due to the new liberalization in Iran, the Embassy has received letters and other contacts from dissident groups. We have responded to these and will seek cautiously to build up an expanded range of interlocutors in these groups which are outside the official "ring around the Embassy".

On macro-economic problems, we have begun intensive discussions with the new, young, and technically competent ministers

in the Amouzegar cabinet. I believe it would be useful for both the United States and Iran to have an objective international body such as the World Bank make an intensive study of Iran's economic future, looking towards the era when petroleum resources will no longer underpin Iran's development. While the Bank is willing, I have encountered Iranian resistance to the idea, but will continue to work at it.

II. An Enhanced U.S.-Iranian Relationship in Non-Military Fields

We believe we have had significant success in improving U.S.-Iranian relations in the field of energy, particularly petroleum. Iran took the lead in calling for an OPEC price freeze for 1978. Iran remains a reliable source for petroleum to the U.S. and our closest friends. This development came about partly because of the world oil supply situation, partly because of the Carter Administration's energy program, and partly because of some blunt talk to the Shah about the problems which Iran's price policies were causing our bilateral relations. I believe we can maintain Iran in the camp of moderation if we demonstrate convincingly that our energy program will cut back on petroleum imports and will seriously exploit other sources of energy.

In the general economic sphere, we will continue to push energetically for a fair U.S. share of the market. This push will be aided by lower U.S. inflation and by the willingness of U.S. business, with U.S. Government support, to arrange parallel oil purchases to offset the dollar costs of U.S. contracts with Iran.

One major American commercial sale to Iran over the next few years should be approximately $10 billion in nuclear power reactors, to result from early signature of a U.S.-Iran bilateral on the peaceful uses of nuclear energy. The President and the Shah announced agreement in principle on this matter December 31, and I hope to have the agreement actually signed on February 28 during the next meeting of the U.S.-Iran Joint Commission. That date could be affected if the Senate fails to pass controlling legislation by that time. This, plus other arrangements in the field of housing, agriculture, and civil aviation, should enable us to enhance the status of the Joint Commission, the Tehran element of which I have brought directly into my own office.

Our intelligence collaboration with Iran remains well established and I believe will be enhanced by certain new

technical proposals we expect to make in the near future. Our cooperation with Iran in the narcotics program for Afghanistan will receive additional attention in 1978.

The problem of Iranian students going to the United States is one which will be with us for many years. We have made significant progress in the last few months in the establishment of orientation programs and screening procedures worked out jointly with the Ministry of Education. We have also submitted a number of proposals to Washington for improvements which we believe would materially assist in mastering this problem, especially in the administration of I-20 forms by the Immigration and Naturalization Service.

On the question of obtaining full payment from Iran of the delinquent surplus property debt, I have encountered difficulties flowing from a tangled legal situation in which the Iranians believe there should be offsetting payments in consideration of damages sustained by their railroad. Progress is further complicated by the wartime British role in this matter and by the reluctance of both British and Iranian governments to supply us with pertinent documents. We will continue to work on this matter.

III. Carefully Coordinated Military Relationship Including the Military Supply Program

As a result of administrative changes resulting from the President's arms restraint policy, I have assumed a far more direct role than my predecessors over the provision of military equipment to Iran. In execution of this role, I have worked out with the Shah and his military officials a long-term projection of Iran's needs in the way of military equipment to be procured from the United States. Due to a number of factors, this projection is markedly more modest than earlier projections had suggested. This reduced program will be discussed with the Congress in the near future. I have also, in conformity with the President's policy, met with all U.S. defense contractors here to explain our new policies and to inform them of the requirements of our new regulations.

IV. Maintenance of Iran's Balanced Posture in Regional Affairs

Most of my long discussions with the Shah in recent months have been on regional matters. I have also had numerous discussions on the same subjects with Foreign Minister Khalatbary

From these discussions I conclude that Iranian foreign policy is responsible and constructive, and that we can influence it to remain so. In the Arab-Israel dispute, in the Indian Ocean, nuclear non-proliferation, the Horn of Africa and Southern Africa, Iran plays constructive roles. In order to continue our influence on these roles, I need to know at least as much as my Iranian interlocutors about the areas and events in question. For this reason, I welcome the various intelligence summaries I receive, especially the daily Middle East INTSUM. I would also welcome receiving policy papers from the NSC or S/P relating to these subjects as they are produced.

V. Improvement in Iran's Human Rights Performance

This is the most delicate aspect of our relations with Iran. I believe we have already made some progress on this subject in the last several months. This has been accomplished by touching the Iranians -- especially the Shah -- in their pride about their international image on the subject. The two conversations which the President has had with the Shah on this subject have also made a major contribution to progress. One of the more effective means I have found in dealing with this subject is to work through the intermediation of a private, non-governmental organization. A distinguished representative of that organization, who is responsive to my suggestions, makes proposals for the amelioration of human rights to Iranian authorities in his own name. Although he consults me on tactics, he assumes full responsibility for his suggestions. In this way, the Iranian can, and have been, able to improve their performance on human rights without the appearance of having been hectored into these improvements by a foreign, albeit friendly, government.

SULLIVAN

TELEGRAM

1978 JAN 19 PM 12:59

INDICATE
COLLECT
CHARGE TO
00719

FROM	CLASSIFICATION	
AMEMBASSY TEHRAN	CONFIDENTIAL	

ACTION: SECSTATE WASHDC

INFO: AMEMBASSY AMMAN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMCONSUL JERUSALEM
AMEMBASSY TEL AVIV

CONFIDENTIAL TEHRAN 00719

E.O. 11652: GDS
TAGS: OREP
SUBJECT: CODEL WILLIAMS/STEVENS

1. SUMMARY. CODEL WILLIAMS/STEVENS HAD USEFUL THIRTY-SIX HOUR VISIT TO TEHRAN JANUARY 9-11. SENATORS HAD DINNER WITH THE SHAH JANUARY 10, WHICH WAS CLEARLY HIGHLIGHT OF THEIR ALL TOO BRIEF VISIT. CODEL ALSO HAD STIMULATING EXCHANGE WITH PRIME MINISTER AMOUZEGAR, AND USEFUL EXPOSURE TO IRAN'S MILITARY MODERNIZATION EFFORT AT LUNCH WITH GENERAL TOUFANIAN. END SUMMARY.

2. CODEL HAD UNIQUE OPPORTUNITY FOR DISCUSSION WITH ~~WITH~~ SHAH AT LONG DINNER JANUARY 10 IMMEDIATELY AFTER SHAH'S RETURN FROM MEETING SADAT IN ASWAN AND BRIEF STOPOVER IN RIYADH FOR DISCUSSIONS WITH KING KHALID AND SAUDI OFFICIALS. FOCUS OF DINNER DISCUSSION, THEREFORE,

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
MEL:RAMartin:ag	1/19/78	1104	DCM:JCMiklos

CENTERED ON MIDDLE EAST QUESTIONS AND PROSPECTS FOR PEACE. OTHER KEY DISCUSSION TOPICS RELATED TO HORN OF AFRICA AND GENERAL SECURITY SITUATION IN THIS REGION.

3. SHAH MADE CLEAR TO SENATORS HIS VIEW THAT SADAT HAS GONE EXTRA MILE, AND THAT ISRAELIS HAVE NOT--AT LEAST AS YET--MADE ADEQUATE RESPONSE. DISCUSSION WAS FRANK AND CANDID, AND SHAH WAS IN GOOD FORM. HE MADE CLEAR TO SENATORS HIS VIEW THAT IT UP TO ISRAEL TO ENSURE THAT PROCESS STARTED BY SADAT INITIATIVE BE CARRIED THROUGH TO SUCCESSFUL CONCLUSION. SHAH UNDERSTANDS FULL WELL THAT NEGOTIATIONS WILL BE EXTREMELY DIFFICULT; HOWEVER, IT IMPERATIVE FOR ISRAEL TO RESPOND TO SADAT MOVE FULLY ENOUGH TO ENSURE THAT FRAGILE FLOWER BROUGHT TO LIFE BY SADAT DOES NOT WHITHER AND DIE.

4. TWO HOUR SESSION WITH PRIME MINISTER AMOUZEGAR BEGAN WITH PM PROVIDING CODEL TOUR D'HORIZON ON IRAN DEVELOPMENT PLANS, PROGRESS AND ADMITTEDLY GREAT DIFFICULTIES TO BE OVERCOME IN ORDER TO ACHIEVE SUCCESS. PM ALSO, IN RESPONSE TO QUERY, GAVE ADDITIONAL TOUR D'HORIZON COVERING IRAN'S SECURITY SITUATION VIZ-A-VIZ EACH OF HER NEIGHBORS, AS WELL AS GENERAL SITUATION IN THE REGION. THERE WAS ALSO FRANK, CANDID EXCHANGE ON ENERGY GENERALLY, AND OIL IN PARTICULAR. TARIFFS

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AND TECHNOLOGY TRANSFER WERE ALSO ADDRESSED. IT SEEMS CLEAR TO US THAT ~~PM AND~~ THE SENATORS GAINED A GREATER APPRECIATION OF ALL THESE QUESTIONS. SENATOR RIBICOFF SUMMED IT UP WELL, WE BELIEVE, BY EMPHASIZING THAT NO ONE HAS A MONOPOLY ON INTELLIGENCE, AND IT IS USEFUL TO HAVE IRANIANS AND AMERICANS DISCUSS QUESTIONS OF MUTUAL INTEREST WITH TOTAL CANDOR SO THAT WE CAN ALL LEARN FROM ONE ANOTHER.

5. GENERAL TOUFANIAN DESCRIBED IRANIAN PROCUREMENT PROCESS, AMBASSADOR OUTLINED GENERAL SECURITY ASSISTANCE SITUATION RELATING TO IRAN, AND CARMISH/MAAG REVIEWED IN-COUNTRY US MANAGEMENT OF THE IRANIAN PROGRAM.

6. SENATORS ALSO HAD BREAKFAST MEETING WITH IRAN/AMERICA CHAMBER OF COMMERCE WITH OPPORTUNITY FOR SOME DISCUSSION AND QUESTIONS FROM THE FLOOR. DISCUSSION WAS ANIMATED, AND INTRODUCTION TO IT BY CHAMBER PRESIDENT LEHFELDT REQUESTED THAT THE TAX ISSUE NOT BE RAISED IN ORDER TO PERMIT MORE GENERAL EXCHANGE.

SULLIVAN

TELEGRAM

INDICATE
COLLECT
CHARGE TO

961

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	SECRET/NOFORN

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

ACTION: SECSTATE WASHDC

INFO: AMEMBASSY LONDON

SECRET TEHRAN 961

NOFORN

E.O. 11652: XGDS-4

TAGS: SHUM PINT PINS IR

SUBJECT: RELIGION AND POLITICS: QOM AND ITS AFTERMATH

REF: A. TEHRAN 0548, B. TEHRAN 0389, C. TEHRAN 0665
D. 77 TEHRAN A-124

POL-3
AMB
DCM
ECON-2
PM
USIS
OR
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SHIR
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13/

SUMMARY: RELIGIOUS DISTURBANCES WIDESPREAD OVER WEEKEND JAN. 14-15. AYATOLLAH SHARIATMADARI'S INTERVIEW WITH THREE OPEN FOREIGN CORRESPONDENTS WAS (AND UNPRECEDENTED) PUBLIC REFUTATION OF GOVERNMENT STATEMENTS. AS RESULT OF QOM INCIDENT ORGANIZED MOSLEM ESTABLISHMENT POTENTIALLY IN STRONGEST POSITION SINCE 1963 VIS-A-VIS GOI. MOSLEMS FAR FROM WHOLLY UNIFIED, BUT GOI IS DEMONSTRATING CONSIDERABLE UNCERTAINTY IN FACING UP TO THE CHALLENGE. END SUMMARY.

1. FOLLOWING DESCRIPTION OF EVENTS WERE GLEANED FROM IRANIAN CONTACTS CLOSE TO RELIGIOUS LEADERS AND TWO

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED
POL:JDStempel:lab	1-24-78		DCM:JCMiklos

CLEARANCES:
POLCOUNS:GBLambrakis
OR(draft)

OF THREE FOREIGN JOURNALISTS WHO INTERVIEWED AYATOLLAH SHARIATMADARI AND OTHER RELIGIOUS LEADERS. EMBASSY ASSESSMENT OF SIGNIFICANCE OF QOM EVENTS AND AFTERMATH GIVEN IN PARAS SIX THRU NINE.

2. AS FULL REPORTS COME IN, IT APPEARS WEEKEND JAN. 14-15 SAW MAJOR RELIGIOUS DEMONSTRATIONS IN MASHAD, ABADAN, AHWAZ, DEZFUL, KHORRAMSHAR, SHUSTAR, ZANJAN AND PERHAPS OTHER CITIES. AHWAZ BAZAAR WAS CLOSED FOR TWO DAYS AND 50 CITIZENS WERE REPORTED "EXILED" TO FORCED RESIDENCE IN QOM AS A RESULT OF THEIR PARTICIPATION IN DEMONSTRATIONS. UNCONFIRMED RUMORS INDICATE SEVERAL PEOPLE WERE KILLED IN ABADAN RIOT AND NUMBER OF INDIVIDUALS INJURED AT OTHER LOCATIONS. UNCONFIRMED RUMOR IN TEHRAN INDICATES THREE PEOPLE DIED AS RESULT OF INJURIES SUSTAINED AT ARYAMEHR TECHNICAL COLLEGE RIOT JAN. 11 AND 12. MANY IRANIANS APPEAR TO HAVE CEASED TO BELIEVE NEWSPAPER REPORTS OF RELIGIOUS INCIDENTS AND REGARD COUNTER-DEMONSTRATIONS (REPORTED REFS .A AND C) AS GOVERNMENT INSPIRED.

3. JOURNALISTS WHO INTERVIEWED AYATOLLAH SHARIATMADARI IMPRESSED WITH HIS SINCERITY. AYATOLLAH WAS UNWILLING TO BE INTERVIEWED FOR PUBLICATION BUT WAS FINALLY CONVINCED HIS STATEMENTS WOULD BE MUCH LESS MEANINGFUL IF HIS NAME WERE NOT ATTACHED TO THEM. SHARIATMADARI CONTINUALLY STRESSED DESIRE NOT TO ENTER INTO CONFLICT

WITH CIVIL AUTHORITIES. HE SAID HE HAD NOT ORDERED BAZAARS IN COUNTRY TO CLOSE DOWN AND HAD ENCOURAGED RELIGIOUS LEADERS IN EACH TOWN TO MAKE THEIR OWN DECISION REGARDING MEMORIAL SERVICES FOR THOSE KILLED IN QOM. NEVERTHELESS, SHARIATMADARI'S STATEMENTS IN BRANIGIN WASHPOST STORIES (JAN. 20, USINFO) WERE A DIRECT CHALLENGE TO GOVERNMENT'S VERSION OF EVIDENCE SURROUNDING KILLINGS AT QOM.

4. AYATOLLAH SHARIATMADARI WAS TREATED WITH OBVIOUS RESPECT BY OTHER LEADERS OF QOM THEOLOGICAL INSTITUTE WHO WERE PRESENT DURING INTERVIEW. RELIGIOUS LEADERS AGREED POLICE HAD OVERREACTED AND INSISTED SHOOTINGS WERE UNPROVOKED. AYATOLLAH ASKED QUESTION (NOT REPORTED BY NEWSMEN) WHY POLICE HAD NOT USED TEAR GAS OR FIRE HOSES? SHARIATMADARI AND HIS COLLEAGUES SAID ORIGINAL CROWD HAD BEEN AROUND 5000. HE SAID SOME 30 INDIVIDUALS WERE KILLED WHEN SHOOTING STARTED--MORE DIED LATER BRINGING TOTAL AROUND 70. (COMMENT: EMBASSY HAS RECEIVED REPORT THAT PARS NEWS AGENCY, AFTER FIRST REPORTS, CAME UP WITH FIGURE OF 76 KILLED BUT WAS ORDERED BY GOI NOT TO USE THIS FIGURE. MORE ACCURATE FIGURE IN OUR JUDGEMENT IS REPORT FROM OPPOSITION INFORMANT WHO CLAIMS THAT 14 DEATH CERTIFICATES WERE KNOWN TO HAVE BEEN SIGNED (SEP MEMCON). THE LATTER TRACKS WITH OTHER RELIABLE REPORTS EMBASSY HAS RECEIVED.)

5. IN DISCUSSIONS WITH REPORTERS, SHARIATMADARI INDICATED RELIGIOUS COLLEGE AND MOSQUE AT AHWAZ HAD BEEN CLOSED FIVE DAYS BECAUSE RELIGIOUS LEADERS THERE HAD BEEN IN FOREFRONT OF DEMONSTRATORS. SHARIATMADARI AND HIS COLLEAGUES LEFT DEFINITE IMPRESSION WITH JOURNALISTS THAT THEY HAD CONTACTS IN MOST MAJOR AND MANY MINOR IRANIAN CITIES. TWO MULLAHS WHO HAD RECENTLY RETURNED FROM KHUZISTAN PROVINCE TOLD OF THEIR ORGANIZATIONAL EFFORTS THERE. JOURNALISTS' IMPRESSION WAS THAT SHARIATMADARI WAS EMERGING AS FOREMOST LEADER OF MOSLEM REACTION TO GOVERNMENT. OTHER EMBASSY SOURCES DESCRIBE HIM AS ONE OF EIGHT LEADING IRANIAN AYATOLLAHS AND POSSIBLY THE MOST EMINENT ONE, AFTER JAILING OF AYATOLLAH TALEQUANI AND BANISHMENT TO PROVINCES OF SEVERAL OTHERS LAST FALL. ONE SOURCE NOTED THERE WAS NOW NO RPT NO AYATOLLAH IN MASHAD, ONE OF IRAN'S THREE MOST RELIGIOUS CITIES. ACCORDING TO EMBASSY FILES, AYATOLLAH SHARIATMADARI HAD BEEN KNOWN IN EARLIER YEARS AS PROGRESSIVE THINKER (IN MOSLEM CONTEXT), ONE WHO HAD SERIOUSLY STUDIED ISLAMIC REFORMERS OF LATE 19TH AND EARLY 20TH CENTURY. JOURNALISTS WERE INTRODUCED TO AYATOLLAH BY SENIOR FIGURE IN TEHRAN'S "HOSSEYNIYEH ERSHAD" RELIGIOUS CENTER WHICH MAINTAINS CONTACTS WITH SHARIATMADARI AND OTHER AYATOLLAHS.

6. EMBASSY ANALYSIS: FROM POLITICAL STANDPOINT, MOST

INTERESTING ELEMENT OF SHARIATMADARI'S PRONOUNCEMENTS WAS STATEMENT THAT WEARING OF VEIL WAS UP TO INDIVIDUAL WOMAN AND THAT ISLAM WAS NOT AGAINST LAND REFORM BUT MERELY AGAINST WAY GOVERNMENT HAD CARRIED OUT CERTAIN ELEMENTS OF SHAH-PEOPLE REVOLUTION. TWO LOCAL CONTACTS WHO ARE FAMILIAR WITH RELIGIOUS CURRENTS HERE BELIEVE IF SHARIATMADARI CAN MAKE THIS POSITION MAIN THESIS OF ISLAMIC OPPOSITIONISTS (MANY OF WHOM ARE MUCH MORE REACTIONARY THAN THIS) HE WILL HAVE TURNED MOVEMENT IN DIRECTION WHICH MIGHT COMMEND IT TO THOSE WHO HAVE THUS FAR BEEN ALIENATED FROM OPPOSITION POLITICS BUT WHO ARE ALSO NOT INTERESTED IN RELIGIOUS FUNDAMENTALISM--MEMBERS OF IRAN'S EMERGING MIDDLE CLASS

7. IN COMING MONTHS EMBASSY WILL BE ATTEMPTING TO WORK AT INHERENTLY DIFFICULT TASK OF LEARNING MORE ABOUT RELIGIOUS ELEMENTS OF OPPOSITIONIST MOVEMENT, INCLUDING DOCTRINES WHICH ARE CURRENTLY BEING ESPOUSED BY BOTH PROGRESSIVES AND REACTIONARIES. WHAT QOM INCIDENT AND ITS AFTERMATH HAS DONE, HOWEVER, IS TO ELEVATE RELIGIOUS OPPOSITION TO MORE VISIBLE, SIGNIFICANT POSITION AMONG THOSE WHO HAVE THUS FAR TAKEN ADVANTAGE OF NEW LIBERALIZATION. ORGANIZATIONAL ACCOMPLISHMENTS OF AYATOLLAHS AND MULLAHS IN RESPONSE TO QOM EVENTS SEEM IMPRESSIVE, THOUGH THEY WOULD PROBABLY FIND IT DIFFICULT TO GENERATE ADDITIONAL DEMONSTRATIONS IMMEDIATELY FOR PURELY POLITICAL

PURPOSES IN ABSENCE OF ADDITIONAL CRYSTALLIZING INCIDENTS (QOM DEMONSTRATION WAS TOUCHED OFF BY ARTICLE IN DAILY NEWSPAPER ETELAAT WHICH SEVERELY ATTACKED EXILED RELIGIOUS LEADER KHOMEINI.) FOR EXAMPLE IT IS DOUBTFUL THAT RELIGIOUS FACTIONS COULD BE MOBILIZED IN NEAR FUTURE TO SUPPORT ANY LEGISLATION IN PARLIAMENT OR TO DEMONSTRATE IN FAVOR OF CONSTITUTIONAL REFORM. POTENTIAL BLEND OF RELIGIOUS FERVOR WITH THE POLITICAL, HOWEVER, HAS KEPT GOI, AND SHAH, ALERT TO DANGERS OF RELIGIOUS INVOLVEMENT IN POLITICS.

8. INITIAL SOUNDINGS INDICATE THAT GOI HAS NOT RPT NOT BEEN ABLE TO MOBILIZE MIDDLE CLASS AROUND SLOGANS DEPICTING RELIGIOUS DEMONSTRATORS AT QOM AS HOPELESS REACTIONARIES. "WORKERS AND PEASANTS" PLUS BUSINESSMEN, GOVERNMENT EMPLOYEES, STUDENTS AND SOME INTELLECTUALS HAVE TURNED OUT DUTIFULLY FOR GOVERNMENT DEMONSTRATIONS, BUT THIS HAS NOT BOUND MIDDLE CLASS MORE CLOSELY TO GOVERNMENT. POTENTIAL DANGER, OF COURSE, IS THAT GOI MIGHT LOSE CONTROL OVER RELIGIOUS ELEMENTS, [redacted] LEADING TO THE INHERENTLY MORE DANGEROUS CONFRONTATION OF SECULAR MODERNIZERS AGAINST FUNDAMENTALIST RELIGIOUS LEADERS WHICH HAS BEEN AVOIDED FOR SOME 15 YEARS.

9. THUS FAR, AMERICANS AND OTHER FOREIGNERS HAVE NOT RPT NOT BEEN INCLUDED EVEN INDIRECTLY IN ATTACKS ON GOI.

GIVEN DEEP XENOPHOBIC STREAK IN FUNDAMENTALIST MOSLEMS, HOWEVER, IT IS DIFFICULT TO SEE HOW THIS CONDITION CAN HOLD UNLESS PROGRESSIVE AYATOLLAHS ARE ABLE TO IMPOSE MORE STRICT DISCIPLINE ON THEIR FOLLOWERS THAN SEEMS POSSIBLE FROM PAST EXPERIENCE, PARTICULARLY IF ISLAMIC MARXISTS MUDDY THE WATERS.

SULLIVAN

AIRGRAM

HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
	SECRET/NOFORN	A-12

TO: DEPARTMENT OF STATE

INFO: DEPT PASS TO AMEMBASSY LONDON

FROM: AMEMBASSY TEHRAN DATE: FEB. 1, 1978

E.O. 11652: XGDS-4
TAGS: SHUM, PINT, PINS, IR
SUBJECT: THE IRANIAN OPPOSITION

REF: A. 77 TEHRAN A-124, B. TEHRAN 390

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		TRSY	USIA

RESTRICTED DISTRIBUTION:

Summary: This airgram identifies opposition groups and individuals who have emerged during the past eight months during which the Iranian government (GOI) has increased its toleration of opposition views. These groups run the spectrum from left to right and include those who have some contacts with elements of terrorist groups. Probably the most articulate of their spokesmen come from the "liberal moderate" opposition which has advocated return to "constitutional" rule, including new elections and greater independence for the judiciary. In recent weeks, a more conservative religious opposition has also manifested itself publicly Dissidence connected with religious beliefs continues to be the most potentially dangerous type of opposition in GOI eyes. The government has acted to restrict public meetings but allows dissemination of letters and circulars issued by the dissidents. On the other hand, the GOI has mobilized individuals for pro-GOI demonstrations through Iran s only legal political party. For now, the majority of opposition groups are working within, or at the edges of, the system. Should they perceive that the GOI cannot be significantly influenced in this way, at least some of them could move toward use of violence. The overwhelming majority of these opposition groups perceive the U.S. as capable

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(Draft)

of influencing the GOI to allow them a role. Should they feel this hope is disappointed, the relative (and surprising) low level of anti-Americanism could give way to greater anti-U.S sentiments and action. End Summary.

Introduction

This airgram attempts to sketch out what we know of Iranian oppositionists who have emerged during the recent 8-month period in which the GOI has shown greater tolerance for public expression of dissent. Since the Iranian opposition has been "underground" for so long, and since it is still relatively cautious about revealing itself to outsiders, this airgram should be considered a rough cut at a description of various opposition groups, not a definitive analysis of everyone on the scene. This is especially true since various oppositionists hold overlapping membership in several definite groups or organizations. The description below begins with those groups considered to the left of the spectrum and proceeds across through those generally considered the "moderate liberal" opposition to the religious conservatives of the right.

Groups with Possible Terrorist Links

To the very far left of the ideological spectrum are leftist revolutionary groups such as the Revolutionary Organization of the Tudeh Party, which is active in Europe and apparently maintains a tightly-knit organization in Tehran. We know very little about this group, except that one of their members was captured in a terrorist shootout in December, 1976. Other similar radical marxist groups exist primarily in Europe, but appear to us as small, shadowy organizations with little impact in Iran.

Probably the largest and best known of the leftist groups is the National Liberation Front (NLF), including its emerging offshoot, the Iran Freedom Seekers Liberation Movement. The NLF was organized about 1964 in Paris by Beneh Sadr. One of its principal members and organizational contacts in Paris, Sadegh Ghotbzadeh, has been responsible for a number of letters written to individuals within Iran. Although the NLF has terrorist links, it has tried to portray itself as an umbrella organization for all moderate dissident groups to the right of the marxists, though the others do not accept this claim. The NLF appears to have small, tightly-knit groups in Tehran and in several European and American cities. Its headquarters in the U.S is reportedly in Houston. Its main contact in Tehran may be Ahmad Sadr-Haj-Sayed-Javadi, an ex-judge who has been involved with a number of opposition projects, including the recent letter to UNSYG Waldheim.

Some Moslem Ayatollahs have contact with some Mujahidin-e-khalq (People's Strugglers) guerrillas. They do not, as far as we know, form a specific group for this purpose. At the present time, we do not know how these connections take place, but they have been hinted at second and third hand by a number of individuals who have dealt with the oppositionist movement. Through these Ayatollahs, the main, but much more fluid and fundamentalist, anti-leftist mass of religious oppositionists may maintain at least a liaison with some factions of the Mujahidin. It appears that the terrorists' action teams are kept separate from these contacts. Additionally, a great deal of support for the religiously oriented opposition movement comes from the Bazaar--an important center of opposition at this point on the political spectrum.

While there are a number of people who call themselves communists or Tudeh Party supporters, the Party remains illegal and its organization, if any, is underground. The Embassy believes the local leader of this faction may be Abdol Ali Partovi-Alavi, an ex-university professor and former Tudeh Front Organization chief who is the brother of Bozorg Alavi, a Tehran leader who remains in exile in East Germany. Little is known about possible other members of this group, but it has contacts among leftist personalities in other universities in Iran and several university professors feel that marxists who are "fellow travelling" with this group currently wield substantial ideological and intellectual influence among students.

More Moderate Descendants of the Older National Front

The organizational structure of the center of the oppositionist movement is so fluid as to make exact description problematic. Nevertheless, we discern the following major elements, many of whose personalities hold overlapping membership in one group or another.

The Union of National Front Forces of Iran which was organized in November 1977 draws together a number of individuals such as Dariush Foruhar, Dr. Karim Sanjabi, Shahpour Bakhtiar, and Ali Sheygan. This group has worked for a return to constitutional government and a dismantling of the Shah's "dictatorship" Ali Asghar Haj-Sayed-Javadi is probably the leading writer who is connected with this group. Most of the moderate groups accept the major lines of Haj-Sayed-Javadi's thoughts as laid out in a long, 200-page letter written in April 1977. The Embassy has been trying to obtain a copy, thus far without success. Its orientation is leftist, and it includes many alumni of the (Mossadeq's period) National Front.

The Radical Movement of Iran was founded in 1975 by Engineer Rahmatollah Moghadam-Maraghe'h and several friends. The Embassy believes that Mohammad Hossein Maleki and Eng. Kazem Hassibi are probably members or associates of this particular unit. The Radical Movement of Iran takes a line similar to the Union of National Front Forces and calls for the abolition of Iran's

single party, a free press, new and free elections, and unshackling of the judiciary. Its principal points of difference with the Union of National Front Forces appear to be ones of personalities which may go back as much as 25-30 years. It seems to be situated less to the left (in the fashion of the "Radical Party" in France) and be a bit better disposed to Americans.

The Toilers Party is led by Dr. Mozaffar Bagha'i Kermani. The Party is essentially the personal creation of the Dr. who has been an inveterate writer since he was a Mossadeq supporter who broke with the prime minister in 1953.

There are a number of other significant individuals, many of whom are members of the outlawed Iranian Writers Guild which has been trying to reestablish itself. Among these are Hedyatollah Matin-Daftari, a Tehran lawyer and grandson of Mossadeq; Ali Amini, ex-liberal prime minister and close friend of a number of the oppositionists of all factions; Fereidun Adamyat, a former Iranian ambassador to Holland and India; Moghadam-Maraghe'h of the Radical Party (above); and Eng. Mehdi Bazargan, the first managing director of NIOC and a long-time opponent of the Shah. Bazargan has been a prominent speaker at several rallies and is one of the most articulate spokesmen for a return of constitutional government, expanded freedom of the press, total independence of the judiciary, and completely new and free elections for Parliament.

Several groups and individuals have organized themselves in a "new National Front" with a directorate of seven leaders--Eng. Moghadam-Maraghe'h, Eng. Bazargan, Karim Sanjabi, Dr. Kazem Samii, Ayatollah Haj-Sayed Abolfazle Moosavi-Zanjani, a Mr. Sangabodi and one other. This group cooperates with the new founders of the Iranian Human Rights Committee formed in January 1978, and indeed memberships overlap. It also coordinates with Foruhar's group, but--despite the presence of some religious figures in the "new National Front"--there would appear to be little coordination with religious conservatives and fanatics.

In addition to these long-time oppositionists, there are a number of figures who have become important either because of incidents they have been involved in or because of foreign connections. Chief among these are Gholam Hassan Sa'edi, a writer who has come to the attention of American publishers; Dr. Homa Nateq, a Tehran University history professor (and member of the writers guild); and Ali Asghar Massoudi, a former army officer and ex-counsel for political prisoners in military courts. Most of these moderate oppositionists eschew violence and believe as an article of faith that the U.S. could play a major role in inducing the Shah to deal with what they call the "liberal opposition."

It is this seeming dependence upon American action which has caused them to urge a suspension of terrorist activities through intermediaries with the terrorist groups. They would be potentially dangerous, however, should substantial numbers of them become convinced that the U.S. cannot or will not cause the Shah to treat with them. While we know the Iranian government is sensitive toward American efforts to deal with them, over the past eight months the Embassy has received no indication that the government openly frowns on contact with these individuals, people close to them, and other oppositionist supporters. This presumably could change if the government felt threatened or became uncertain of the USG's basic support.

Religiously Oriented Groups

In the past two weeks, primarily as a result of the Qom incident and its aftermath (see ref B), the outlines of a religious opposition have become clearer. Ayatollah Sayed Ghassem Shariatmadari has emerged as the public spokesman for this group, primarily because of his interview with three foreign journalists (Tehran 0961). A behind-the-scenes supporter of the "progressive" Ayatollahs and a link with the Tehran religious faction is Dr. Nasser Minatchi who is a lawyer and head of the board of directors of Hosseyenyeh Ershad Religious Center near the Friday Mosque on Old Shemiran Road. The Center was closed five years ago because of some speeches made against the government. The GOI quietly allowed it to reopen in the past few months and it may again become a center for at least tacitly accepted dissident religious opinion. Another Ayatollah, Haj Sayed Abolfazle Moosavi-Zanjani, has been linked to the more moderate oppositionists listed in the last section.

It appears that there are a number of religious factions that may come to cluster around Ayatollah Shariatmadari. For most of them, the Ayatollah Khomeini, exiled to Iraq in 1963, is considered the true leader of the Shi'ite faithful. Khomeini's principal disciple has been Ayatollah Mahmud Talequani, who was jailed for ten years in August 1977. Another of these, Talequani's close associate, Moslem theologian Hossein-Ali Montazari, has been in prison for sometime. The Embassy understands that several, perhaps as many as ten, ayatollahs and mullahs were imprisoned or exiled in the fall of 1977 for anti-government statements. One source believes this has been a prime reason why other religious leaders have come forward to challenge the interpretation of their stance as reactionary, and why the GOI has tolerated their emergence.

The Qom incident has caused religious figures to look to their organizational situation. The loose and fluid religious structure of Iran offers perhaps the only country-wide network

for an oppositionist group. Thus far, anti-governement sentiment has largely remained beneath the surface due to assiduous work by Savak and because religious leaders have (we believe) continually assessed their prospects for confrontation with the government as unfavorable. We have no hard facts, but there is some indication that moderate oppositionists and more progressive religious leaders have talked about joining together for certain demonstrations similar to those which eventually led to confrontation with the GOI in 1963 Circumstances would appear to be important --if additional incidents involving the religious community, such as firing upon marchers, either occur or can be generated, religious fervor could be activated to provide the mob manpower for demonstrations.

It is difficult to get an accurate reading of religious/ political beliefs. Progressive figures speak in terms which would accommodate the secular state. They accept "human rights", land reform and tacit separation, in practice if not in theory, between church and state. Basic Shi'ite doctrine, however, has always emphasized the importance of religion in everyday life, and in Iran Shii'ism has always been closely tied to Iranian nationalism. Those familiar with Shi'ite doctrine believe more fundamentalist Shi'ite mullahs will have difficulty supporting a more progressive doctrine. This could result in an important doctrinal dispute between those Moslems, both laymen and clerics, who wish to accept some form of separation of church and state by referring such matters as wearing the veil to individual conscience, and those who will insist on the application of "true" Shi'ite principles to every sphere of human life. The former would be consistent with the beliefs of many of Iran's new emerging middle class and would open the way for the more religious of them to support a movement combining religion and politics. Religious opposition which emphasizes fundamentalist Shi'ism would probably chase more enlightened moderates into tacit if unhappy alliance with the government.

Miscellaneous

This airgram has not dealt with groups deliberately connected to active terrorists, the Mujahidin-e-khalq (Peoples' Strugglers) and the Charikha-ye-Fada'i-Khalq (Peoples' Sacrifice Guerillas). Thus far, we find no hard indications of direct links between the action teams of either of these groups and the more moderate oppositionists noted above, but this may be due merely to good security practice. There is a strong supposition (but only a supposition) that moderate oppositionists have prevailed upon terrorist groups to desist from active violence against Americans while the Carter administration is given a chance to see if it can or will influence the Shah and the GOI. There have been a number of incidents of violence over the past year, several related to the Carter visit to Iran, December 31 to January 1, which suggests either that the

prohibition is not absolute or that terrorist discipline is not complete. What may reasonably be expected, however, is that there will remain some loose coordination between the various opposition figures and the terrorist movement. At times, the moderates may restrain the extremists; it is also possible that the extremists will influence the moderates in the direction of stimulating (or at least condoning) greater violence.

Iranian Government Reaction

The Iranian government has thus far permitted at least some public meetings, though it clamped down on such gatherings rather severely in late Nov-Dec 1977. The dissidents have been allowed to issue letters, but these have been covered only sporadically (and always negatively) in the press. There have been indications that the GOI intends to mobilize groups and individuals through the Resurgence Party in counter-demonstrations desired to show support for progressive government programs against reactionary oppositionist activities. Such counter-demonstrations have taken place since November 22, 1977, climaxed by the nationwide January 26 parades in favor of the Shah-People Revolution.

The government has not dealt with the substance of the oppositionists' challenge that Iran has strayed from the constitutional path. Rather, it has suggested that the Monarchy, the Constitution and the Shah-People Revolution are basic elements on which all components of the Iranian nation agree. The GOI has not yet drawn a stark line between the government as a force for progress and all oppositionists as reactionary, but the thrust of its statements and those of speakers at pro-government rallies suggest this line. Opponents of the GOI are repeatedly being tarred as agents of renascent colonialism (taken in the broadest historical sense) to suggest that the nefarious past interference in Iran's affairs by Russia and Britain might be revived through such dissidents. By drawing the mantle of patriotism around the Shah and his four-decade-old rule, spokesmen are trying to broaden the appeal of the government beyond specifics such as the Party or the Shah-People Revolution to patriotism in a more general sense.

Some GOI and Resurgence Party (RPPI) officials harbor the belief that some oppositionists might be induced to bring their activities into some sort of association with the RPPI. At present this appears a vain dream. Those who might consider this line of action are not the committed oppositionists listed above, but rather people who have remained apathetic non-participants in the Iranian political system: Iran's emerging middle class. To a considerable degree, one could say that the struggle over the coming months and years will be one between the GOI and the oppositionists for

the allegiance of a substantial majority of those now moving into Iran's modernizing elite. Should the government succeed in retaining and strengthening the allegiance of this group, oppositionists would remain at best a minor irritant on the national scene. Alternatively, in the unlikely possibility that the oppositionists win the allegiance of many in this strata of the population, the way would be open for another severely dichotomous split similar to that which evolved in 1963, with a like potential for schizophrenic domestic strife.

Potential for Increased Anti-Americanism

Until late 1977, increased opposition activity in Iran had not resulted in stronger anti-Americanism per se. However, since December, leaflets emanating from both the marxist left and the religiously-oriented right of the opposition spectrum have carried explicitly anti-U.S. overtones and statements, and the volume of such leaflets has increased in the past month.

Given intensive American interaction with Iranian society at all levels, and the inevitable resultant strains between two cultures in friction, the extent of current restraint in overt anti-Americanism is surprising. One significant reason is the vitually unanimous oppositionist perception (regardless of what may actually be the case) that the USG, with its substantial influence and power within Iran, could compel the Shah to open up the political system if it wanted to. This led the oppositionists to play down their dismay at what they consider to be U.S. "support" for the Shah and to discourage religious opposition from voicing their natural anti-foreign sentiments.

Should oppositionist elements begin to believe, as some extremists are already doing, that the U.S. either can not or will not act as the midwife for oppositionist entry into the Iranian political system, the current constraint on latent anti-Americanism may be reduced and overt manifestations of it increase. The Embassy will be commenting more fully on this phenomenon in other contexts.

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P 031012Z FEB 78
FM AMEMBASSY TEHRAN
TO RUEHC/SECSTATE WASHDC PRIORITY 3659
INFO RUEHAM/AMEMBASSY AMMAN 1336
RUEHCR/USINT BAGHDAD 1010
RUEHEG/AMEMBASSY CAIRO 5593
RUEHDM/AMEMBASSY DAMASCUS 0706
RUQMDH/AMCONSUL DHAHRAN 2064
RUQMOD/AMEMBASSY DOHA 2798
RUSBQD/AMEMBASSY ISLAMABAD 3779
RUQMRA/AMEMBASSY JIDDA 4030
RUSBLK/AMEMBASSY KABUL 5194
RUQMKW/AMEMBASSY KUWAIT 4928
RUDTJ/AMEMBASSY LONDON 4290
RUQMAM/AMEMBASSY MANAMA 1359
RUEHMO/AMEMBASSY MOSCOW 1440
RUQMMT/AMEMBASSY MUSCAT 0787
RUSBAE/AMEMBASSY NEW DELHI 3437
RUFNPS/AMEMBASSY PARIS 3722
RUDKBT/AMEMBASSY RABAT 0354
RUFHRO/AMEMBASSY ROME 1341
RUQMNS/AMEMBASSY SANA 0303
RUEHTV/AMEMBASSY TEL AVIV 1619
RUQMTI/AMEMBASSY TRIPOLI 0544
RUDKSR/AMEMBASSY TUNIS 0304
BT

CHRGE: STATE 2/2/79
APPRV: MIN:CWNAAS
DRFTD: POL:GBLAMBRAKI
CLEAR: NONE
DISTR: POL 3 AMB MIN
ECON-2 PM ICA
OR ADM SY
DAO AFOSI CHRO

C O N F I D E N T I A L SECTION 01 TEHRAN 01691

E.O. 12065: GDS 2/2/85 (LAMBRAKIS, GEORGE B.) OR-P
TAGS: PINS, PGOV, IR
SUBJECT: (U) IRAN: UNDERSTANDING THE SHI'ITE ISLAMIC MOVEMENT

1. (C - ENTIRE TEXT).

2. SUMMARY: THOUGH BASED ON INCOMPLETE EVIDENCE, OUR BEST ASSESSMENT TO DATE IS THAT THE SHIA ISLAMIC MOVEMENT DOMINATED BY AYATOLLAH KHOMEINI IS FAR BETTER ORGANIZED, ENLIGHTENED AND ABLE TO RESIST COMMUNISM THAN ITS DETRACTORS WOULD LEAD US TO BELIEVE. IT IS ROOTED IN THE IRANIAN PEOPLE MORE THAN ANY WESTERN IDEOLOGY, INCLUDING COMMUNISM. HOWEVER, ITS GOVERNING PROCEDURES ARE NOT CLEAR, AND PROBABLY HAVE NOT BEEN TOTALLY WORKED OUT. IT IS POSSIBLE THAT THE PROCESS OF GOVERNING MIGHT PRODUCE ACCOMMODATIONS WITH THE ANTI-CLERICAL, INTELLECTUAL STRAINS WHICH EXIST IN THE OPPOSITION TO PRODUCE SOMETHING MORE CLOSELY APPROACHING WESTERNIZED DEMOCRATIC PROCESSES THAN MIGHT AT FIRST BE APPARENT. END SUMMARY

3. AS DEPT AND OTHER ADDRESSEES ARE AWARE, WE HAVE FOR SOMETIME BEEN LABORING WITH THE PROBLEM OF UNDERSTANDING THE BREADTH AND DEPTH OF THE RENASCENT SHI'ITE RELIGIOUS MOVEMENT IN IRAN BOTH FOR ANALYTICAL AND POLICY PURPOSES. WHILE OUR STUDY IS FAR FROM CONCLUDED, IT WOULD BE USEFUL TO MAKE SOME TENTATIVE JUDGMENTS AT THIS CRITICAL STAGE IN IRAN'S ONGOING REVOLUTION.

4. FIRST, WE HAVE AMASSED ENOUGH EVIDENCE TO DATE TO BE

REASONABLY SURE THAT THE ISLAMIC MOVEMENT HEADS THE IRANIAN REVOLUTION BOTH IN THE PERSON OF THE SYMBOLIC LEADER, AYATOLLAH KHOMEINI, AND IN THE ORGANIZATION, OR PERHAPS MORE ACCURATELY INTERLOCKING ORGANIZATIONS, WHICH SUPPORT HIM. IRANIAN GOVT SPOKESMEN HAVE FOR A LONG TIME PEDDLED THE CHARGE THAT KHOMEINI'S FOLLOWERS ARE FOR THE MOST PART CRYPTO COMMUNISTS OR LEFTISTS OF MARXIST STRIPE. THIS BELIEF IS SHARED QUITE WIDELY BY OTHERWISE WELL-INFORMED IRANIANS, INCLUDING JOURNALISTS AND BUSINESSMEN AS WELL AS GOVT SERVANTS. TO A CONSIDERABLE EXTENT IT IS BASED ON A FABLE THAT COMMUNISTS HAVE BEEN INFILTRATED AS YOUTHS INTO THE RELIGIOUS SCHOOLS AND NOW CONSTITUTE THE MULLAHS AND OTHER ORGANIZERS OF THE RELIGIOUS MOVEMENT. "PROOF" OF THIS IS DEDUCED FROM THE ASSUMPTION MADE GLIBLY BY MANY IRANIANS THAT THE RELIGIOUS PEOPLE, INDEED IRANIANS IN GENERAL, ARE TOO DISORGANIZED AND INCAPABLE OF PUTTING TOGETHER AN EFFICIENT MOVEMENT UNLESS THIS IS DONE FOR THEM BY "THE ONLY ORGANIZED GROUP IN IRAN" -- THE TUDEH PARTY

5. THESE DETRACTORS APPEAR TO BE LABORING IN AN IGNORANCE OF THE ISLAMIC MOVEMENT WHICH IS IN SOME CASES GREATER THAN THAT OF WESTERN OBSERVERS. WESTERNIZATION IN IRAN ACHIEVED A STATUS AND LEGITIMACY UNDER THE TWO PAHLAVI MONARCHS WHICH HAS PRACTICALLY WIPED OUT MEMORIES OF THE ISLAMIC PAST FOR LARGE NUMBERS OF PEOPLE WHO WENT TO SCHOOL IN THE WESTERNIZED IRANIAN SCHOOL SYSTEM AND DID THEIR HIGHER STUDIES FOR THE MOST PART ABROAD. FOLLOWING THE MODEL OF KEMAL ATATURK IN TURKEY AND CONTINUING INTO THE POST-WORLD WAR II PERIOD, THE PAHLAVI SHAHS HAVE SOUGHT TO BRAND THE ISLAMIC ESTABLISHMENT AS AN IGNORANT REACTIONARY REMNANT OF THE PAST WHICH IS FAST BECOMING OBSOLETE. STEPS WERE TAKEN TO RENDER THIS A SELF-FULFILLING PROPHECY. THE GOVT HAS MADE EFFORTS TO CUT OFF THE MULLAHS FROM DIRECT FINANCIAL SUPPORT BY THE PEOPLE AND TO MAKE THEM DEPEND ON GOVT SALARIES. BY KEEPING THE MULLAHS AS FAR OUT OF PUBLIC SIGHT AS POSSIBLE, SEEKING TO RIDICULE THEM, LOCKING UP MANY OF THE LEADERS IN SAVAK PRISONS. AND BT
#1691

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P 031010Z FEB 78
FM AMEMBASSY TEHRAN
TO RUEHC/SECSTATE WASHDC PRIORITY 3660
INFO RUEHAM/AMEMBASSY AMMAN 1337
RUEHCR/USINT BAGHDAD 1011
RUEHEG/AMEMBASSY CAIRO 5594
RUEHDM/AMEMBASSY DAMASCUS 0707
RUQMDH/AMCONSUL DHAHRAN 2065
RUQMCD/AMEMBASSY DOHA 0799
RUSBQD/AMEMBASSY ISLAMABAD 3780
RUQMRA/AMEMBASSY JIDDA 4031
RUSBLK/AMEMBASSY KABUL 5195
RUQMKW/AMEMBASSY KUWAIT 4929
RUDTC/AMEMBASSY LONDON 4291
RUQMAM/AMEMBASSY MANAMA 1360
RUEHMO/AMEMBASSY MOSCOW 1441
RUQMMT/AMEMBASSY MUSCAT 0788
RUSBAE/AMEMBASSY NEW DELHI 3438
RUFNPS/AMEMBASSY PARIS 3723
RUDKBT/AMEMBASSY RABAT 0355
RUFHRO/AMEMBASSY ROME 1342
RUQMNS/AMEMBASSY SANA 0304
RUFHTV/AMEMBASSY TEL AVIV 1620
RUQMTI/AMEMBASSY TRIPOLI 0545
RUDKKR/AMEMBASSY TUNIS 0305
BT
C O N F I D E N T I A L SECTION 02 TEHRAN 01691

INSISTING ON NON-RELIGIOUS MODELS OF THE FUTURE FOR IRAN, THE SHAHS HAVE ATTEMPTED TO PUSH IRAN THROUGH A PERIOD OF WESTERNIZATION INVOLVING A SEPARATION OF CHURCH AND STATE WHICH TOOK CENTURIES TO DEVELOP IN EUROPE.

6. NEVERTHELESS, IT HAS BECOME OBVIOUS THAT ISLAM IS DEEPLY IMBEDDED IN THE LIVES OF THE VAST MAJORITY OF THE IRANIAN PEOPLE. IN ITS SHI'ITE FORMAT, IT HAS OVER THE CENTURIES BECOME STRONGLY IDENTIFIED WITH IRANIAN NATIONALISM, EVEN BEFORE THE AGE OF MODERN NATIONALISM PENETRATED THE EAST. THE PAHLAVIS ATTEMPTED TO SUPPLANT THIS ANCIENT NATIONALISM WITH A MODERN VERSION BASED ON A RETURN TO TRADITIONS, LEGENDS AND GLORIES OF THE PRE-ISLAMIC PAST. THAT EFFORT MIGHT HAVE BEEN SUCCESSFUL IF ALLOWED TO CONTINUE UNCHALLENGED FOR MANY MORE DECADES OR CENTURIES. ITS SUCCESS DEPENDED ON CREATION OF INSTITUTIONS WITH ROOTS AMONG THE PEOPLE TO COMPETE WITH THAT OF SHI'ITE ISLAM.

7. HOWEVER, THE REFORMING PAHLAVI MONARCHY WAS CHALLENGED EARLY ON BY ANOTHER WESTERN IDEOLOGY -- COMMUNISM. ITS INFANT PARLIAMENTARY AND OTHER GOVERNMENTAL INSTITUTIONS CAME CLOSE TO BEING TAKEN OVER IN THE LATE 1940S AND EARLY 1950S BY THE COMMUNIST METHOD OF WESTERNIZATION. THE PRESENT SHAH'S SUCCESSFUL DEFENSE AGAINST THE CHALLENGE AND HIS ABSORPTION IN THE CREATION OF A MODERN, SECULAR AND INDUSTRIALIZED IRAN BLINDED HIM TO THE MORE ANCIENT CHALLENGE OF ISLAM AND ITS HOLD ON THE PEOPLE. WHILE HIS EFFORTS TO CREATE A NEW IRANIAN IDEOLOGY BASED ON "2500 YEARS OF IRANIAN KINGSHIP" AND DEVELOPMENT OF THE

GREAT CIVILIZATION WERE DIRECTED PERSONALLY AND APPEARED TO BE MAKING SOME HEADWAY, IT IS CLEAR TODAY THAT THEY DEEPENED THE RESENTMENT OF SHI'ITE ISLAM AND BROADENED THE OPPOSITION TO HIS REGIME AMONG MORE AND MORE CLASSES OF PEOPLE WELL BEYOND THOSE STRICTLY PRACTICING RELIGION. TODAY, EVEN THE SHAH'S USE OF THE PERSIAN LANGUAGE IS RIDICULED. IT SEEMS THE SHAH REGULARLY MAKES ERRORS IN HIS USE OF THE LANGUAGE, WHICH ONLY REINFORCES THE CHARGE THAT HE IS AN IMPLANT OF FOREIGN INTERESTS SERVING FOREIGNERS RATHER THAN HIS OWN PEOPLE.

8. HISTORICALLY, ISLAMIC SCHOLARS HERE TRACE THE DEVELOPMENT OF SHI'ISM IN TERMS OF ITS RESISTANCE TO AUTHORITY AT SEVERAL STAGES. ORIGINALLY A MARK OF PERSIAN RESISTANCE TO ARAB AND MONGOL INVADERS, IRANIAN SHI'ISM SPLIT AND THE MAJOR DIVISION IN A SENSE "WENT UNDERGROUND" AFTER THE SAFAVID RULERS ADOPTED IT AS THE OFFICIAL COURT RELIGION. THESE POWERFUL PERSIAN RULERS TRANSFORMED SHI'ISM INTO A TYPE OF SUNNISM, PERSIAN SCHOLARS TELL US. THAT IS, THEY DEMANDED AND GOT SUBSERVIENCE OF A PART OF THE SHI'A ESTABLISHMENT TO THE KING. ACQUIESCENCE WAS GIVEN TO THE PRINCIPLE THAT, IN THE ABSENCE OF THE "HIDDEN 12TH IMAM," THE KING COULD MAKE NECESSARY TEMPORAL DECISIONS. CONCURRENT WITH THIS OFFICIAL ("SAFAVI") STRAIN, HOWEVER, WAS THE UNOFFICIAL STRAIN OF SHI'ISM ("ALAVI") WHICH BELIEVED AND PREACHED RESISTANCE TO UNJUST AND CORRUPT RULERS AND LIE BEHIND THE ANCIENT SHI'ITE DOCTRINE OF CONCEALMENT.

9. THE EXISTENCE OF BOTH STRAINS IN SHI'ISM IS MARKED BY PARALLEL SYSTEMS OF MOSQUES, DATING ESPECIALLY FROM THE TIME OF FATHI ALI SHAH QAJAR, IN MANY IRANIAN CITIES -- THOSE BUILT BY THE SHAH ANDSUPPORTED BY HIM, THOSE BUILT BY THE PEOPLE AND PRAYED IN BY THEM. THE "IMAM JOM'EHS" APPOINTED BY THE GOVT TO PRESIDE OVER THE SHAH MOSQUES WERE NOT RESPECTED BY THE BELIEVERS WHO SOUGHT OUT THEIR OWN MULLAHS AND MOJTAHEDS, TO WHOM THEY RENDERED OBEDIENCE AND PAID THEIR TITHES. THIS UNDERGROUND "ALAVITE" STRAIN CAME TO THE SURFACE IN THE 19TH CENTURY WITH THE TOBACCO
BT
#1691

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P 0310102 FEB 78
FM AMEMBASSY TEHRAN
TO RUEHC/SECSTATE WASHDC PRIORITY 3661
INFO RUEHAM/AMEMBASSY AMMAN 1338
RUEHCR/USINT BAGHDAD 1012
RUEHEG/AMEMBASSY CAIRO 5595
RUEHDM/AMEMBASSY DAMASCUS 0708
RUQMDH/AMCONSUL DHAHRAN 2066
RUQMOD/AMEMBASSY DOHA 0800
RUSPQD/AMEMBASSY ISLAMABAD 3781
RUQMRA/AMEMBASSY JIDDA 4032
RUSBLK/AMEMBASSY KABUL 5196
RUQMKW/AMEMBASSY KUWAIT 4930
RUDTC/AMEMBASSY LONDON 4292
RUQMAM/AMEMBASSY MANAMA 1361
RUEHMO/AMEMBASSY MOSCOW 1442
RUQMMT/AMEMBASSY MUSCAT 0789
RUSBAE/AMEMBASSY NEW DELHI 3439
RUFNPS/AMEMBASSY PARIS 3724
RUDKBT/AMEMBASSY RABAT 0356
RUFHRO/AMEMBASSY ROME 1343
RUQMNS/AMEMBASSY SANA 0305
RUEHTV/AMEMBASSY TEL AVIV 1621
RUQMTI/AMEMBASSY TRIPOLI 0546
RUDKKR/AMEMBASSY TUNIS 0306
BT
C O N F I D E N T I A L SECTION 03 TEHRAN 01691

REBELLION, WHEN THE CLERGY SUCCESSFULLY LED A BOYCOTT AGAINST THE KING'S GRANT OF A TOBACCO MONOPOLY TO THE BRITISH. IT WAS THE KEY FORCE BEHIND THE REVOLUTION AT THE TURN OF THIS CENTURY WHICH PRODUCED THE CURRENT CONSTITUTION IN 1906 AND 1907. FORCED AGAIN INTO AN INACTIVE ROLE BY THE PAHLAVI SHAHS, THE ALAVITE STRAIN IS THE HEART OF THE SUCCESSFUL REVOLUTION TODAY.

10. IF ONE EXAMINES IRAN FOR POLITICAL STRUCTURES TODAY, ONE IS STRUCK BY THE APPEARANCE OF A WASTELAND. MODERN PARLIAMENTARY DEMOCRACY HAS HAD LITTLE SUCCESS IN THE SHORT PERIOD WHEN IT HAS BEEN TRIED, AND IT IS AN ADAGE HERE THAT THE ONLY RELATIVELY EFFECTIVE POLITICAL PARTY IN THE PAST HAS BEEN THE COMMUNIST, OR TUDEH, PARTY. NOTABLES AND OTHER POWERFUL PERSONS, INCLUDING MANY MULLAHS, HAVE BEEN REPRESENTED IN THE PARLIAMENT AS INDIVIDUALS WITH PERSONAL FOLLOWINGS, WHO MAKE TEMPORARY ALLIANCES WITH EACH OTHER BUT HAVE DONE PRECIOUS LITTLE TO ADVANCE THE INSTITUTION OF DEMOCRATIC GOVT AS UNDERSTOOD IN THE WEST. THE ONE PRIME MINISTER WHO ACHIEVED A DEGREE OF POWER TO CHALLENGE THAT OF THE SHAH, MOSSADEQ, OPERATED IN A PERSONALIZED AUTHORITARIAN WAY WHICH LEFT A MEMORY AND A POLITICAL LEGACY IN IRAN, BUT NO POLITICAL ORGANIZATION OR PROMISE OF FUTURE INSTITUTIONALIZATION. IN SHORT, A CENTRAL POWER WITH A GRIP ON THE PEOPLE HAS ALWAYS BEEN NECESSARY TO RULE IRAN.

11. THE ISLAMIC ESTABLISHMENT HAS DRAWN RENEWED VIGOR FROM THE LITERACY AND EDUCATION DRIVES WHICH HAVE TRANSFORMED SO MUCH OF THE IRANIAN POPULATION OVER THE PAST

FOUR OR FIVE DECADES. MOSLEM LEADERS CAN CALL ON EDUCATED MOSLEM YOUTH, MANY OF WHOM HAVE LEARNED WESTERN ARTS OF PROPAGANDA AND ORGANIZATION IN THEIR U.S. OR EUROPEAN SCHOOLS AND UNIVERSITIES. THE ISLAMIC ESTABLISHMENT ITSELF, WHICH WAS ORIGINALLY TAKEN BY SURPRISE BY THE ONSLAUGHT OF MARXIST IDEOLOGY, HAS OVER THE PAST TWO OR THREE DECADES DIGESTED AND APPARENTLY GONE FAR TO IMMUNIZE ITSELF AGAINST THIS WESTERN IDEOLOGY. MEANWHILE, IT HAS MOVED TO MODERNIZE ITS OWN PERCEPTIONS OF THE WORLD AND OF THE ROLE SHI'ISM CAN PLAY IN GOVERNING IRAN.

12. AS EXPLAINED BY SCHOLARS HERE, SHIA ISLAM TEACHERS NOT ONLY ADHERENCE TO THE UNCHANGING VALUES EMBODIED IN THE KORAN AND IN THE SUNNA (TRADITIONS OF THE DEEDS AND SAYINGS OF THE PROPHET) BUT ALSO THE NEED FOR REINTERPRETATION TO KEEP UP WITH CHANGING TIMES. THE PRINCIPLES OF ISLAMIC LAW THAT ARE CONCEIVED AS DYNAMIC IN THIS SENSE ARE "EJTEHAD," OR PHILOSOPHICAL REINTERPRETATION OF THE ETERNAL VERITIES, AND "EJMA" OR "CONSENSUS," I.E., AGREEMENT BY RELIGIOUS LEADERS THAT CERTAIN NEW INTERPRETATIONS ARE SANCTIFIED AND HAVE THE FORCE OF THE LAW. WHAT THIS AMOUNTS TO IS A CONTINUING GRIP ON THE IRANIAN POPULATION BY A CLERICAL ORDER WHICH IS NUMEROUS, AT LEAST PARTIALLY MODERNIZING SUPPORTED BY ITS OWN SOURCES OF FUNDS, AND ORGANIZING ITS OWN CHANNELS OF COMMUNICATION AMONG THE FAITHFUL. IT HAS BECOME CLEAR BEYOND ANY DOUBT THAT MOST OF THE BAZAAR MERCHANTS CONTINUE TO SUPPORT THE RELIGIOUS LEADERSHIP WITH LARGE AND REGULAR CONTRIBUTIONS. MILLIONS OF DOLLARS PASS THROUGH THE HANDS OF THE TOP AYATOLLAHS EVERY DAY OR WEEK. THESE GO FOR A VARIETY OF GOOD WORKS AND SUPPORT THE MOVEMENT."

13. AN EXAMPLE OF ORGANIZATION IN THIS REGARD IS A RELIGIOUS SCHOOL SYSTEM BEGUN 32 YEARS AGO BY AN AYATOLLAH WHO IS STILL ALIVE, WHICH HAS GROWN TO 1500 SCHOOLS SPREAD ALL OVER IRAN. THE SCHOOL SYSTEM IS ENTIRELY SUPPORTED BY BAZAARI FUNDS, AND STUDENTS FROM PROMINENT RELIGIOUS, BAZAARI AND OTHER FAMILIES TAKE NOT ONLY THE

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P 031010Z FEB 78
FM AMEMBASSY TEHRAN
TO RUEHC/SECSTATE WASHDC PRIORITY 3662
INFO RUEHAM/AMEMBASSY AMMAN 1339
RUEHCR/USINT BAGHDAD 1013
RUEHEG/AMEMBASSY CAIRO 5596
RUEHDM/AMEMBASSY DAMASCUS 0709
RUQMDH/AMCONSUL DHAHRAN 2067
RUQMOD/AMEMBASSY DOHA 0801
RUSBQD/AMEMBASSY ISLAMABAD 3782
RUQMRA/AMEMBASSY JIDDA 4033
RUSBLK/AMEMBASSY KABUL 5197
RUQMKW/AMEMBASSY KUWAIT 4931
RUDTC/AMEMBASSY LONDON 4293
RUQMAM/AMEMBASSY MANAMA 1362
RUEHMO/AMEMBASSY MOSCOW 1443
RUQMMT/AMEMBASSY MUSCAT 0790
RUSBAE/AMEMBASSY NEW DELHI 3440
RUFNPS/AMEMBASSY PARIS 3725
RUDKBT/AMEMBASSY RABAT 0357
RUFHRO/AMEMBASSY ROME 1344
RUQMNS/AMEMBASSY SANA 0306
RUEHTV/AMEMBASSY TEL AVIV 1622
RUQMTI/AMEMBASSY TRIPOLI 0547
RUDKKR/AMEMBASSY TUNIS 0307
BT
C O N F I D E N T I A L SECTION 04 TEHRAN 01691

REQUIRED GOVT COURSES, TAUGHT IN GOVT SCHOOLS, BUT ALSO SOME RELIGIOUS COURSES WHICH THE GOVT HAS BANNED IN ITS SCHOOLS. AN EFFORT BY THE GOVT TO TAKE THESE SCHOOLS OVER A FEW YEARS AGO WAS SUCCESSFULLY RESISTED BY THE RELIGIOUS/ BAZAARI ESTABLISHMENT. ENOUGH UNIVERSITY PROFESSORS AND OTHER LEARNED PERSONS VOLUNTEER THEIR SERVICES TO SUCH SCHOOLS SO THAT THE STUDENTS GRADUATE WITH SUFFICIENTLY RESPECTABLE KNOWLEDGE AND CREDENTIALS TO ASSURE THEIR SUCCESS IN THE UNIVERSITIES. WE HAVE SEEN A WIDE VARIETY OF PAMPHLETS AND BOOKS PRODUCED FOR USE IN SUCH SCHOOLS WHICH INDICATE THE EXTENT OF ORGANIZATION IN THE MOSLEM COMMUNITY.

14. THERE IS LITTLE REASON TO BELIEVE THAT THE PROMINENT RELIGIOUS MILITANTS MUCH IN EVIDENCE ARE CRYPTO-COMMUNISTS ALTHOUGH SUCH ILK MAY WELL HAVE INFILTRATED THE KHOMEINI CAMP FURTHER DOWN. THE ISLAMIC ESTABLISHMENT IS NEITHER AS WEAK NOR AS IGNORANT AS THE SHAH'S GOVT AND SOME WESTERN OBSERVERS WOULD PORTRAY IT. IT HAS A FAR BETTER GRIP ON THE EMOTIONS OF THE PEOPLE AND ON THE MONEY OF THE BAZAAR THAN ANY OTHER GROUP. IN MANY WAYS IT SUPPORTS A REFORMIST/TRADITIONALIST VIEW OF IRAN WHICH IS FAR MORE ATTRACTIVE TO MOST IRANIANS AT THIS TIME THAN THE MODELS OF COMMUNISM REPRESENTED BY THE SOVIET UNION OR MAINLAND CHINA.

15. ON THE OTHER HAND, IT IS NOT GUARANTEED TO OPERATE IN PARLIAMENTARY DEMOCRATIC FASHION AS WE UNDERSTAND IT IN THE WEST. IN FACT THE IDEA OF MERITOCRACY ("TAQVASALARI") IS SAID TO BE IMBEDDED DEEPLY IN ITS APPROACH. ELEMENTS

OF AUTHORITY APPEAR TO BE COLLECTIVE (AS SUGGESTED BY THE PRINCIPLE OF "EJMA"), RATHER THAN REPOSING IN A SINGLE INDIVIDUAL, EVEN ONE MORE EQUAL THAT THE OTHERS, SUCH AS "IMAM" KHOMEINI. A GOOD DEAL OF AUTHORITY IS LIKELY TO BE EXERCISED BY AN "ISLAMIC COUNCIL," THOUGH THE MAKE-UP OF SUCH A COUNCIL IS STILL NOT CLEAR. UNDER THE MOVEMENT'S PROGRAM, POLITICAL LEADERS RATHER THAN MULLAHS WOULD APPEAR DESTINED TO PLAY THE PREPONDERANT ROLE IN MAKING AND EXECUTING GOVT POLICY. THE IDEA THAT EXPERTS SHOULD BE JUDGED BY THE RELIGIOUS LEADERSHIP AND THEN REINFORCED IN APPLYING THEIR EXPERTISE TO VARIOUS AREAS OF THE ECONOMY IS PART OF THE PROPOSED GOVERNING PROCESS, AS WE UNDERSTAND IT. THUS, ON THE SURFACE, IT WOULD APPEAR THAT THE WESTERNIZED PROCESS OF POLITICAL PARTIES VYING IN PARLIAMENT TO SET POLICY WOULD BE SUPPLEMENTED BY A MORE INFORMAL AND TRADITIONAL PROCESS TO DECISION-MAKING THROUGH VARIOUS GROUPS ACHIEVING CONSENSUS.

16. ALL THIS IS VAGUE AT THIS STAGE, HOWEVER, AND WE SUSPECT THE MOSLEM ESTABLISHMENT WOULD PROBABLY NOT BE ABLE TO AVOID MAKING SOME ACCOMMODATIONS WITH WESTERNIZED IDEAS OF GOVT HELD BY MANY IN THE OPPOSITION MOVEMENT. THIS WOULD BE LIKELY TO APPEAR OVER A PERIOD OF TIME RATHER THAN IMMEDIATELY. MEANWHILE, WE CAN EXPECT THAT THE ROLE OF A POST REVOLUTIONARY SHI'A ISLAMIC MOVEMENT WOULD HAVE BROAD POPULAR SUPPORT. IT WOULD PROBABLY RESIST COMMUNISM AS AN ALIEN IMPORT TO THE BEST OF ITS ABILITY, AS WELL AS RESISTING MANY OTHER ASPECTS OF WESTERNIZATION. SULLIVAN
PT
#1691

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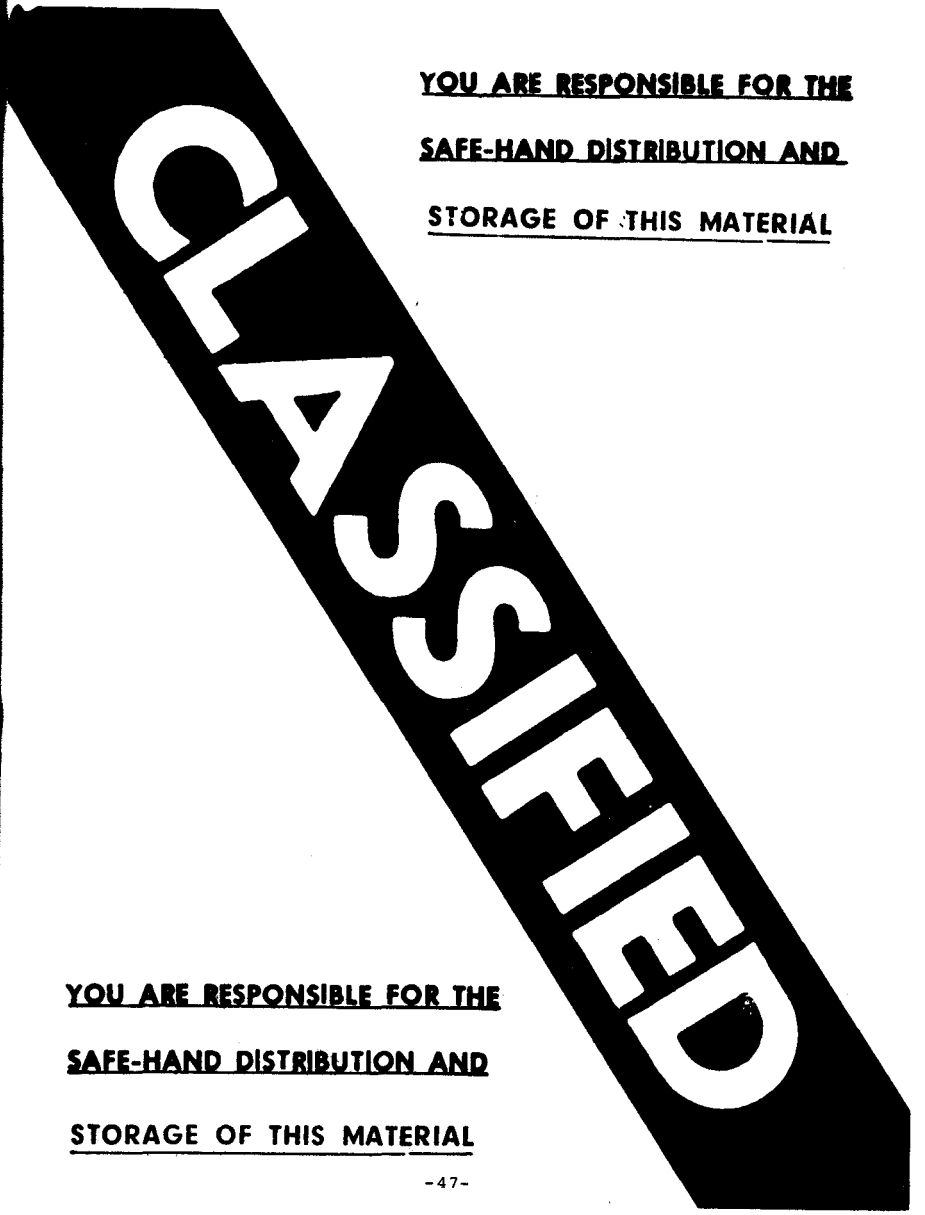

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SECRET/NOFORN

DRAFT LETTER TO CONSULATES TO ACCOMPANY POL/ECON REPORTING GUIDELINES

Dear

Attached are the political and economic reporting guidelines for your area for this coming year. We naturally don't want to limit you in reporting what you, who are on the spot, consider as important from your area. However, we would like to give you these guidelines on reporting which should serve to alert you to topics we here in Tehran feel are the most important and the ones on which we would like more information.

In general, I feel that the reporting from the field in Iran has been excellent, but I also feel that it can be improved and perhaps, more sharply defined. However, I'd like to have your views on the attachment, especially if you find yourself in sharp disagreement with any portion of it. I also would like it if you could give me your full state of mind on any of the points mentioned. Thank you in advance.

As you all requested, we will be having more frequent Principal Officer Meetings, the next, hopefully, in late March or early April. While the primary subjects to be discussed at that meeting will be Consular and Administrative, we can also certainly discuss the political and economic reporting guidelines in more detail if you like.

With all best wishes.

Jack C. Miklos
Minister

SECRET/NOFORN

SECRET/NOFORN

(For David McGaffey, Isfahan)

POLITICAL AND ECONOMIC REPORTING GUIDELINES FOR ISFAHAN

POLITICAL:

Isfahan is a special case for several reasons, but in terms of reporting, the main one is that so few comprehensive pieces have come from there since the Consulate was reopened in 1975. There were reasons for this, but now in terms of general background we need a couple of longer analytical pieces giving the basic structure of city/provincial power, social, economic and political. While major decisions are made at the center in Iran, that is less so in the economic realm, and even in the politics of decentralization and party organization. Isfahan and the other consulates provide useful benchmarks against which to measure Tehran's progress, or lack of it, as well as the claims of RPPI men.

We have had hints that Amouzegar plans to push forward party work and encourage more interest aggregation and resource allocation activity -- at least gathering information on preferences -- in party circles. It would be helpful to have your comments on this, at least in a preliminary way, by No Ruz. Similarly, decentralization is being pushed again, at least vocally. Governor Zad's reaction to this latest effort will be instructive. In this connection, any links between political activity and development policy which you can delineate would be helpful.

Since Isfahan is one of the holy cities, we also look to you more than the other consulates for some insight into the religious

community and religious activities in general, especially those which either lead to, or imply, some sort of dissidence or possible oppositio Perhaps the more fundamentalist moslems in Isfahan are really a significant part of the establishment in Isfahan as they are not elsewhere in Iran?

While the rosy glow of the Carter visit has taken a bit of the "instant imperative" off the human rights problem, it still remains the major issue POL deals with on the strictly political front. Information on this subject is always helpful. We will continue to welcome your telephone reports and will gladly consolidate them with ours as we successfully did on several occasions last year. (Personally, I don't mind if our listening friends get the message that we continue to be interested in the subject if the reports are purely factual or can be desensitized for phone transmission.)

On a related subject, the tensions created by the industrial developme always make good reading, especially if you can plan the time to do a consolidating piece which draws together your thoughts on such inciden as the Fluor "strike" of recent days and other unrest over either U.S. or third-country workers. Sometime later in the year an update of Gene's piece on the American community in Isfahan, problems, prospects, etc., would make good reading. (If we have immediate or impending problems, get the word up quickly and don't wait for a longer piece, but a round-up with more perspective will be useful.)

University activity which relates to possible oppositionist movements and university student attitudes in general are helpful to have, again

benchmarks, There is ferment in the educational sector, and personnel and ideas may again be drawn from Isfahan, as they have been in the past.

Since you have a resident Soviet Consulate, we hope to have at least some attitudinal material for the CERP-2 report on relations with Communist countries. Deadline for the report itself is November 15; we'd like to have your stuff about a month before, if possible.

POLITICAL-MILITARY:

In the Political-Military area much, if not all, of the work, including reporting, related to the Iranian military modernization effort and our security assistance program is, of course, handled by POL-MIL in the Embassy and ARMISH/MAAG. What might be termed the day-to-day operational aspects of the broader political-military areas are comparably handled by POL-MIL and the Defense Attache Office. That being said, there still is most useful reporting, comment and even analysis to be done by the Consulates in the POL-MIL field.

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With a number of new bases and installations planned, we can hope that the Regional Governor General is taking such planning into account as his overall regional development planning proceeds. It should be possible to get some information relating to this.

Additionally, it would be of great interest to have some better sense of the attitudes of the members of the military living in any particular area:

-- Are they happy with their military jobs?

-- Are they doing them well?

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-- What are their attitudes towards the Shah and the way in which development is proceeding in Iran generally, and in the individual area specifically?

It would also be interesting to know the degree of dedication to a military career that the service members have. For example, is there a trend towards many of them leaving the service (assuming that this is possible with respect to their enlistment or duty status) at the end of their tours at any given base, or is the norm for the great

majority to move on to new military assignments? Perhaps there is no norm. To the degree that local labor is required for a base, is the available supply adequate? Are civil sector labor force needs impacted adversely by base requirements?

We recognize that it may be difficult to acquire some of this information and, in some instances, it may even be impossible. We further recognize that it may take some time to acquire it in any event. Indeed, it would be appreciated if you would think about this general subject and suggest additional questions that could be pursued usefully and even additional subjects that seem to fit into the Pol-Mil area.

Even if you turn up some inforamtion that may not appear to be complete or fully formed, it would be useful to send it in to POL-MIL at the Embassy even informally prior to using it in a more formal report of some sort. This is probably more the case initially as we work with POL-MIL to try to develop the most useful and coherent approach to contributing to the total Mission effort in the political-military field.

ECONOMIC:

In the economic area, you have a rich terrain to cover. Annual or spot reporting on NISOC's steel mill, as well as NISIC's steel programs, are useful to us and Washington. Spot visits to prominent industries, with key businessmen and Chamber of Commerce officials and bankers provide good grist for reports. As an old hand in economic reporting, your problem will be one of time, not know-how. But you may find useful a listing of subjects to consider when doing industrial and other economic research:

-- The Enterprise: founding, principal officers, amount and date of investment, source of capital, nature/profile of

business capacities, equity by percentages, size and location, expansion plans.

-- Foreign Involvement: equity, royalties, licensings (if so, conditions, such as on exports), managerial/technicians' presence and characterization.

-- Programs for training, research, servicing, marketing.

-- Operation: recent years' output in absolute and percent-of-capacity terms, productivity (if possible, relate to U.S., Japanese or European norms), quality control, infrastructural handicaps (electricity, water, etc.), number of shifts, prospects.

-- Inputs and Outputs: Source by country of major inputs, problems (such as serving of capital equipment -- sniff for competitive factors), inventories' levels and desires, present and proposed markets (domestic and foreign), product servicing.

-- Government Involvement: tax and other assistance and tariff and other competitive protection, problems in relations with, pricing problems, etc.

-- Financial: recent and projected gross and net earnings, return on investment, shares (if public) and involvement in the share participation program, tax experience (e.g. disputes) and any problems in obtaining credit, servicing debt, etc.

-- Labor: Number and profile of employees (e.g. men/women, white and blue collar, foreign), how recruited and trained, turnover rates, organization and effectiveness, wage rates, trends and how determined, profit sharing, benefits, problems.

Such reporting should also contain an informative slant toward possible U.S. opportunities, for example in an expansion program, and related to a desire to enter into foreign licensing arrangements. We benefit from your reporting concerning such national economic issues as price control policy; inflation (land and rent price trends); determination of wages; the perceptions, as well as actually, of the share participation program (13th principle); problems/improvement in supply and distribution (i.e. transport system, warehousing, markets); availability and allocation of credit; investment/business climate in general (including capital flight); factors influencing that climate (e.g. the decision to or not to invest); and governmental operations (efficiency of bureaucracy, decision-making (regional or all Tehran); impact of spending; curtailments of development projects, etc.

(For Victor Tomseth, Shiraz)

POLITICAL AND ECONOMIC REPORTING GUIDELINES FOR SHIRAZ

POLITICAL:

First, our reaction to your very well done outline: With respect to political reporting, it is true that the center is controlling -- nevertheless, regarding university disturbances, decentralization. and rise of religious feelin-, what happens in Shiraz is also important if only as a benchmark against which to measure what Tehran has been saying and doing. In the case of "human rights," broadly defined, misinformation is often at least as prevalent as information here, and your's and Mike's timely reports/calls have helped us quite significant and not just with Shiraz incidents. What we're calling for here is fine tuning, not a change of emphasis.

Ideally, we'd like to see something about mid-year or earlier generally reviewing the rise of religious feeling in Shiraz, how it is being manifested in the social and political arena and economic impact, if any. (For example, in Isfahan, there have been one or two letters to firms suggesting that Bahais should not be hired.)

If this fits in a general review of dissidence, that would be fine, to If this development results in actual or potential problems with the resident American community, that will be of interest here.

On decentralization and provincial government, we'd like to know of any major personnel changes right away, but otherwise, you could use major events to peg a general description of what's going on. Sometime befo No Ruz it would be useful to have an update on what the Amouzegar

government's impact in Shiraz and your district has been, even if the report is negative or neuter.

We personally share your view that politics and economics are intertwined, though for reporting purposes, we can separate some things out. We agree that semi-annual reporting on the port situation seems called for. POL would like something, if possible, tying economic development to emerging choices on resource allocation, if that's not too much like trying to analyse the one-celled amoeba with a complex electron microscope.

We are generally agreed here that you have reached the useful limit of spot-memcon reporting and might shift focus to fewer but slightly longer analytical pieces, ones that would put developments in perspective a bit without going the route of becoming an INR study.

For example, in addition to the rise of religion, Chancellor Mehr and Pahlavi University are two very interesting subjects -- Pahlavi because it illustrates problems of rapid academic development, which is becoming a national issue; and Mehr because he is not only one of the more outspoken and competent chancellors, but because he is being, or will be, seriously considered as a replacement for the present education minister, or for a new university job -- perhaps chancellor at Tehran University, or a super-Undersecretary with responsibilities for all universities. Similarly with Azmoun -- he is a subject of interest here, and his style is watched with interest by people who knew him, particularly those interested in cabinet shuffles.

We're still interested in spot reporting on human rights, though the rosy glow that surrounds the recent presidential visit has taken some

of the direct heat off. If you wish to telephone in minor items, they will be welcomed and consolidated. Personally, I don't think it hurts our listening friends to be reminded of our interest in this subject, if the report or source is not too sensitive.

Regarding communist activities, if any in your area, we would like to have any input for CERP-2 (deadline normally November 15) in hand about a month ahead, if possible.

POLITICAL-MILITARY:

In the Political-Military area much, if not all, of the work, including reporting, related to the Iranian military modernization effort and our security assistance program is, of course, handled by POL-MIL in the Embassy and ARMISH/MAAG. What might be termed the day-to-day operational aspects of the broader political-military areas are comparably handled by POL-MIL and the Defense Attache Office. That being said, there still is most useful reporting, comment and even analysis to be done by the Consulates in the POL-MIL field.

For example, all of you have military bases and installations in your Consular districts. Both from Isfahan, Shiraz and Tabriz, as well as while travelling around within your districts, it would be most helpful if you would note the impact of such bases and installations (including the associated personnel) on the areas in which they are located. One ought to be able to gain some sense, at least over time, of whether the bases and installations are providing a useful impetus to development in the civil sector in the given area; whether, perhaps, the opposite is true; or whether the result is mixed. In other words, as a functional

of having the base or installation where it is, new roads must have been constructed, possibly new schools or other facilities constructed, a water supply developed and an electricity source created. Perhaps even small businesses, shops and other commercial activity have developed as a result of the base being built, or being operated there (wherever it is).

With a number of new bases and installations planned, we can hope that the Regional Governor General is taking such planning into account as his overall regional development planning proceeds. It should be possible to get some information relating to this.

Additionally, it would be of great interest to have some better sense of the attitudes of the members of the military living in any particular area:

-- Are they happy with their military jobs?
-- Are they doing them well?
-- Is the operation of a given base or installation effective?
-- What are their attitudes towards the Shah and the way in which development is proceeding in Iran generally, and in the individual area specifically?

It would also be interesting to know the degree of dedication to a military career that the service members have. For example, is there a trend towards many of them leaving the service (assuming that this is possible with respect to their enlistment or duty status) at the end of their tours at any given base, or is the norm for the great majority

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ECONOMIC:

Your memcons and reports on industrial visits and other economic issues have been excellent. Since much focus on your district regards energy, an assessment of the new sources of energy, e.g. the Shah Reza Dam, and their impact regionally and nationally would be useful. We have discussed before and continue to encourage you to present, your material with the non-governmental audience in mind, separating out classified items where possible. This is especially helpful in your transportation and port reporting, which has high

business interest. When visiting industries, you may find useful the following list of subjects, not inclusive, however, which could be covered and reported on:

-- The Enterprise: founding, principal officers, amount and date of investment, source of capital, nature/profile of business capacities, equity by percentages, size and location, expansion plans.

-- Foreign Involvement: equity, royalties, licensings (if so, conditions, such as on exports), managerial/technicians' presence and characterization.

-- Programs for training, research, servicing, marketing.

-- Operation: recent years' output in absolute and percent-of-capacity terms, productivity (if possible, relate to U.S., Japanese or European norms), quality control, infrastructural handicaps (electricity, water, etc.), number of shifts, prospects.

-- Inputs and Outputs: Source by country of major inputs, problems (such as serving of capital equipment -- sniff for competitive factors), inventories' levels and desires, present and proposed markets (domestic and foreign), product servicing.

-- Government Involvement: tax and other assistance and tariff and other competitive protection, problems in relations with, pricing problems, etc.

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Such reporting should also contain an informative slant toward possib U.S. opportunities, for example in an expansion program, and related to a desire to enter into foreign licensing arrangements. We benefit from your reporting concerning such national economic issues as price control policy; inflation (land and rent price trends); determination of wages; the perceptions, as well as actually, of the share particip program (13th principle); problems/improvement in supply and distribu tion (i.e. transport system, warehousing, markets); availability and allocation of credit; investment/business climate in general (includi capital flight); factors influencing that climate (e.g. the decision to or not to invest); and governmental operations (efficiency of bureaucracy, decision-making (regional or all Tehran); impact of spending; curtailments of development projects, etc.

SECRET/NOFORN

(For Mike Metrinko, Tabriz)

POLITICAL AND ECONOMIC REPORTING GUIDELINES FOR TABRIZ

POLITICAL:

General Background:

Over the past two to three years, we have had very good spot reporting from Tabriz. Over the next six months, it would be desirable if you could sketch out the basic structure of the province, who's powerful, who opposes the powerful (if any), and delineate the activities and key leaders of the Party, if any. This could take one, two or three airgrams; how you handle it is pretty much up to you. At some point in the spring, it would be useful to have an update to the airgram on security similar to the one David McGaffey did last spring. If it seems warranted, you might cover oppositionist groups, estimate terrorist presence in Tabriz, and look at police effectiveness.

If you have an opportunity to do a broader round-up on Iran's military presence at the Tabriz-Soviet border area, I am sure our colleagues in DAO and Political/Military would find this useful.

Beginning to shade over into spot reporting, we come to the question of the Kurds. In terms of sexy, international items, reports on the Kurdish sector have been Tabriz' basic input for the last seven years. We would hope you could maintain and develop new contacts to keep us apprised -- at least semi-annually -- re Kurdish thinking on such things as their Iraqi brothers, their potential for supporting dissidence in Iraq, and views of the U.S. From our conversations in Tehran, you are aware that there is active Kurdish dissidence in Iraq. This,

combined with some Iraqi activities in recent months, has brought the question of Iraqi Kurdish human rights to the visible stage, both in the U.S. and UN forum. From time to time, we get asked about Kurd refugees in Iran. Any evidence you have that they are being treated well/average/badly will be most welcome.

From the standpoint of present political interests, we want you to continue monitoring the university scene. This is perhaps more usefu to us than you realize, since we are dealing with a very sensitive area. Misinformation frequently outweighs information here, and the reports done by you and the other Consuls give us a baseline for judgments. We will be particularly interested in any signs that the Resurgence Party is showing life, either in official or unofficial channels. Amouzegar and some of the people we talk to here have indicated that the Prime Minister expects the Party to play a greater role in aggregating constituent interests and suggesting resource allocation to Tehran.

On the regional and local government scene, we understand the mayor o Tabriz finally threatened to retire once too often and was invited to do so. More on this and urban developments (including trade opportun would be welcome. Again, your reporting on municipal and provincial government gives us a good benchmark against which to test the claims of Tehran's proponents and opponents of decentralization.

The activities of Soviet officials in your area remain of considerabl interest. We suggest that, in following reporting requirements calli for a memorandum of conversation to be forwarded to the RSO for each contact, you place special emphasis on describing in detail the

attitudes and behavior of Soviets whom you meet. Such reporting could prove of great help in identifying possible Soviet officials who could provide significant intelligence information.

POLITICAL-MILITARY:

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ECONOMIC:

A visit and report concerning the new refinery would be useful. A discussion in advance with Richard Bash would, no doubt, provide specific guidance. If possible, an annual update of the industrial part would be valuable. Items covered should include, as in any industrial visit:

-- The Enterprise: founding, principal officers, amount and date of investment, source of capital, nature/profile of business capacities, equity by percentages, size and location, expansion plans.

-- Foreign Involvement: equity, royalties, licensings (if so, conditions, such as on exports), managerial/technicians' presence and characterization.

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LIMITED OFFICIAL USE

AMERICAN EMBASSY TEHRAN

MEMORANDUM OF CONVERSATION

February 12, 1978

SUBJECT : Mullahs; Corruption; SAVAK

PARTICIPANTS: Parviz RAEIN, AP and TIME Magazine Representative in Iran
Roger C. BREWIN, Counselor of Embassy for Economic and Commercial Affairs, TEHRAN

COPIES TO : AMB/DCM, POL 2, NEA/IRN, INR/BIO OFF., INR/RNA, INR/OIL/B, SHIRAZ, TABRIZ, ISFAHAN, USIS, OR

Parviz Raein has become well known to the Embassy over the years and I have generally found him to be a reliable reporter. Within limits, he speaks his mind and I have the impression that he is fairly well plugged-in around town. He has prospered under the present regime but his remarks obviously reflect a fairly strong wish that some things should change. I understand that he does see the Shah with some frequency.

The Mullahs

Raein finds the mullahs generally to be an untrustworthy, conspiratorial and thoroughly selfish lot. Raein believes that the bulk of them in their hearts have never forgiven the Shah for divesting them of their political and economic power in the early 1960s and, given the right circumstances, would not hesitate to cause trouble for the government and the nation generally. Raein feels that the mullahs are now exploiting the current dissidence, assuming postures favoring greater political liberties for the people, but in fact they would like to return Iran to the 15th century, recovering their expropriated property along the way.

Raein's distrust for the mullahs apparently has its origins in a bloody incident which occurred in Shah Square in the early 1960s. According to Raein the mullahs mounted a demonstration against the Shah and organized a number of school children to proceed the mullahs in moving against armed police. When the police gave an order to the children to stop, the mullahs urged them on; finally, the police, under strict orders to shoot if the demonstration did not turn back, did open fire, killing several of the school children. Raein found this "strategy" of the mullahs to be thoroughly contemptible [illegible] "about what one would expect from [illegible]

Raein was not at all pleased with the recent international press coverage given to Ayatollah Khomeini of Qum, in which the latter is depicted by the three foreign newsmen who interviewed him as a great libertarian. Raein said he is nothing of the sort.

Corruption

The corruption in Iran is pervasive, Raein said, and the only way it can be curtailed is by action "from the top." According to Raein, the principal offenders are "the generals and the royal family." He said that these two groups acquired vast estates near the Caspian for virtually nothing and are now offering parcels for sale at exorbitant prices. Both groups, he said, had succeeded in extracting money from the government for the purpose of building roads into their properties. Such construction with public monies benefits no one except the owners.

SAVAK

Raein said that of course prisoners are tortured in Iran and all Iranians know this, but went on to say "What is torture? Even 24 hours in prison can be a form of torture for some people." While readily conceding that there was a proper role for SAVAK, citing a continuing intelligence need vis-a-vis Iraq and the USSR, Raein believes that the senior officers in SAVAK, including General Nasseri, ought to be retired. These senior SAVAK officials have outlived their usefulness, giving Iran a bad name and causing misery to a lot of people. He mentioned a Dr. (?) Hosseinzadeh (whose real name is Atapour) who as SAVAK's chief interrogator only lives to convict people through his interrogations--guilty or innocent.

Raein recounted the following story which landed him in jail for a few hours. Raein said that he filed a routine story with AP in New York concerning heavy snows which had isolated several Iranian villages. When Raein's brief cable on the subject reached New York, Raein's editor there thought he would jazz up the story a bit and added the following concluding line which was duly printed in the U.S. press: "And while several Iranian villages struggled to dig their way out of heavy snows, the Shaw was enjoying himself on the ski slopes of St. Moritz." Raein said that SAVAK promptly clapped him in a cell when it learned of this story. In the end, said Raein, an urgent phone call from Ambassador Zahedi in Washington the Shah, confirming that the offending line had been added New York, got Raein out of jail.

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CONFIDENTIAL

COUNTRY TEAM MINUTES
February 15, 1978

The Ambassador announced that he will be leaving on February 20 for Joint Commission meetings in Washington. He reported that his recent trip to the southern regions of Iran had been very educational. The petroleum industry is very impressive; the IIN operations are potentially impressive. Following his return, the Ambassador had an audience with the Shah in which the Middle East and Horn of Africa conflicts were discussed. The Shah also indicated some dissatisfaction with bilateral relations with the British. The Shah expressed concern that there be no gap in U.S. arms deliveries, and the Ambassador cautioned that Iran should not become enmeshed with the current congressional debate on the package of Saudi Arabian, Egyptian and Israeli arms transfers. The Shah well understood the point and agreed.

The Ambassador noted that the Joint Commission agendas seem to be firming up. There will be a large Iranian contingent, if all the potential attendees show up in Washington. (The Minister mentioned that a number had fallen by the wayside already.) The Executive Committee of the Iran-American Joint Business Council is visiting and had futile discussions on social security, double taxation and equity sharing. They will not produce a paper on investment climate in Iran until May.

The Ambassador asked that anyone who has information regarding the drug problem at TAS advise Pete Dedich. The USEA Board of Directors has determined that wine is a food supplement and as such should remain unrationed. The Ambassador has determined that wine should not become a supplement for the Tehran bazaar, and must, therefore despite its obvious nutritional value, be rationed.

The Ambassador will hold a meeting this morning with regard to the Mission's employment policy for wives and dependents. General Gast indicated that Armish wanted more precision with respect to current guidelines. In response to a question from the Ambassador, Mr. Brewin said he will cable the South Korean social security agreement to Washington and will ask for instructions on how to proceed with our bilateral agreement.

The Minister reported on agendas for the Joint Commission meetings, noting that all arrangements will probably not be completed until the last minute.

CONFIDENTIAL

Mr. Zischke announced that American composer-conductor David Amram will be arriving for programs at the IAS and then down-country next week. The Ambassador noted that Arnaud deBorchgrave will be calling on him for an interview and will also be seeing the Shah.

General Gast asked if the Ambassador requires background material for his Washington trip and was requested to provide information on the construction requirements and schedules for the F-16, AWACS, and additional F-14s. The Ambassador said that he had conveyed our appreciation to the Shah for Iranian efforts in attempting to locate the lost American boy. General Gast gave a full report on the circumstances surrounding the hiking accident.

Yesterday General Toufanian called General Gast for a briefing on enhancing the capability of the M-60 tank. It was pointed out that such a program might be possible but that GOI tank personnel require further training than they receive at present.

Mr. Brewin remarked that we have received a cable regarding the NIOC dispute with Sharja. It is a very complicated exercise involving NIOC and a US firm in which NIOC is pressing for financial terms which may force the American firm out of operation in Sharja. In another case, Mr. Brewin has heard rumors that the U.S. firm, LSC, had their contract cancelled and that the manager was given 24 hours to leave Iran. He will check into the story.

Mr. Lambrakis reported on some of today's press highlights. The Majlis is considering a bill to grant suspended sentences to any foreign nationals caught entering Iran illegally. Kayhan International carried an article on human rights by Jahangir Amuzegar.

Mr. Ferree said that the first of the U.S. veterinary contingent has arrived and is working on a joint commission training program. A one-day food products show will be held on April 4 to display a cross section of edibles.

Cmdr. Haack announced that the USS Davis and USS Furer will not call at Bandar Abbas but will remain in the Red Sea area.

Mr. Goelz introduced Tim Skud who will serve temporarily at the Consulate and then be posted to Shiraz.

POL:JWMartin

DISTRUBITION:					
	AMB/DCM	USIS	DEA	NEA/IRN	
	POL	MAAG	OR	AMCONSUL	ISFAHAN
	POL/M	ADMIN	DAO	"	SHIRAZ
	ECON	CONS	INR/RNA	"	TABRIZ

CONFIDENTIAL

COUNTRY TEAM MINUTES

FEBRUARY 22, 1978

The Minister opened the meeting by noting that the American National Newspaper Association had a good session with Minister Yeganeh yesterday and will have a full program today, including a meeting with the Prime Minister. In reviewing incoming cables Mr. Miklos referred to a message from Embassy Khartoum which reports on the Chad situation. He also called attention to the upcoming annual visit of the National Defense University group which will be on a more modest scale this year. We also have confirmation of the visits of MajGen Clark and General Huyser. The Minister remarked that it was rather unlikely that Egypt would join CENTO, as rumored in a cable from Ankara.

The Ambassador has received a letter from William H. Courtney, a Fellow at the Council on Foreign Relations, who will visit Iran in April. Among other interesting mail received by the Ambassador was a request for "hard to find" pictures of the Shah and Queen Elizabeth. Mr. Goelz, who was given responsibili for this task, said he might forward a couple of postage stamps the writer. Mr. Gingles was alerted to the employment benefits which were recently gained by Iranian bank employees. He replie that he was aware of the generous provisions of the agreement an has kept his copy hidden from Embassy staffers. Another CT memb suggested sending the agreement to AFSA as a model for future negotiations with State management.

Mr. Shellenberger reported that Professor Abraham, from the University of Virginia, will meet with faculty and students at National University today if the school is open. Mr. Shellenber was told by Ambassador Foroughi that he believes the riots in Tabriz spread because of economic dissent from the lower middle class. Foroughi said that the "have-nots" of Iranian society ha an abiding suspicion of corruption in high places. As an exampl Foroughi referred to a recent Farsi press report on a lavish par given in Tehran where a local dancer was paid $50,000 to take of her costume. Mr. Shellenberger commented that this really arous the people. Following brief commentary, CT discussion turned to next month's demonstration in Shiraz of micro-wave landing appro systems and traffic control. USIS has an officer monitoring thi visit.

General Gast said that a plan has been completed with the IIAF to undertake a joint analysis of recent accidents. The investig tion will begin February 27 and will entail visits to each air- base and IIAF headquarters. General Gast has been informed that

the Secretary of the Air Force has received an invitation, through Ambassador Zahedi, to visit Iran during the period April 5-9. Armish, in conjunction with the Embassy, will prepare an itinerary for the visit. A team of three generals will arrive February 25 to have discussions about the management of the F-16, AWACS and Iranian air defense programs. Armish believes the air defense program should be under FMS. General Gast spoke with DOD officials last night and there seems to be some thought in Washington that the Long Range Iran Procurement Plan is a "wish-list" rather than representing a set of Iranian requirements. Mr. Martin commented that the LRPP in essence represents an LOI. The Minister asked that this be made clear to Washington and General Gast said he would take appropriate action.

Mr. Lambrakis cited press reports today on the number arrested and killed in Tabriz riots. It is interesting that those arrested are being brought before civil courts. We do not as yet have all the background on the riots and there are many theories, but it appears that the authorities were caught flat-footed and that some officials will be held accountable. There are rumors of a threat of further demonstrations if those arrested in Tabriz are not released. The Farsi press reports that the Shah has replied to a letter from Arafat, the contents were not divulged. Despite a somewhat apologetic editorial in today's Tehran Journal, a MFA source told Mr. Lambrakis that the GOI Embassy is packing up in Nairobi, indicating an extended break in relations.

Mr. Ferree reported on a number of visitors: an Uncle Ben's representative leaves today; a pulse study group arrives shortly; a farm leaders group arrives in mid-March.

Mr. Martin said that General Williams, President of BHI, will call on him today for a general review.

Mr. Gingles introduced Bob Watson, Iran's Post Management Officer, who is here on an orientation visit.

Mr. Bannerman was pleased to report that the FBI fugitive did not slip off the plane in Paris and was picked up by authorities in New York.

Mr. Dedich was welcomed back and he reported on his official trip to Paris and Nice to ferret out the Cote d'Azur Iranian connection in drug trafficking.

Mr. Ryno said he has a wait-and-see attitude toward the closing of the Tehran Trade Center. There has been talk in Washington of closing a number of centers. Mr. Miklos remarked that any message from Washington should be asking for our view's before a final decision is taken. Mr. Ryno is continuing his efforts to resolve the customs guarantee problem.

POL:JWMartin:jag

CONFIDENTIAL

DEPARTMENT OF STATE

BRIEFING PAPER

WEEKLY STATUS REPORT: IRN

IRAN: 3 MARCH 1978

-- The Fourth Session of the U.S.-Iran Joint Commission concluded on February 28 in Washington with the issuance of a Joint Communique and Agreed Minutes by the co-chairmen, Secretary Vance and Mohammed Yeganeh, Iran's Minister for Economic Affairs and Finance. The formal Commission session was preceded by meetings of the five joint standing committees during the previous week. These meetings produced several tangible suggestions for joint technical co-operation in such areas as agricultural development, manpower training, and scientific research. The Commission participants put particular emphasis on trade expansion which, the two sides noted, had not lived up to previous expectations. While unspectacular in nature, this Commission was probably the most productive meeting to date; both sides came armed with much greater specificity and interest. (UNCLASSIFIED)

-- Congressman Fraser's subcommittee held hearings on February 28 to update the human rights situation in Iran. (Hearings on other countries had been scheduled earlier.) The only witness at the Iranian session was Brian Wrobel of Amnesty International who made the claim that it remained "impossible" to get a fair trial in Iranian military courts. The Department is expected to provide witnesses at a later date. (UNCLASSIFIED)

-- Fallout from the February 18 religious riots in Tabriz suggests that the GOI may be bracing for future demonstrations. For the time being, however, the government is awaiting the outcome of a special investigation before taking further action. Preliminary results reveal some negligence on the part of several provincial officials including the East Azerbaijan Governor who has been sacked. The Shah, meanwhile, has stated publicly that political liberalization will continue, despite "abuses by reactionary groups." (CONFIDENTIAL)

-- Embassy Tehran has taken issue with a recent CIA estimate which lowers Iranian oil productive capacity from 6.7 million b/d to 6.1 million b/d. The Embassy feels this is overly pessimistic and cites industry sources in Tehran who feel 6.8 million b/d is a more realistic assessment. (CONFIDENTIAL)

NEA/IRN:MJPhinson:rr
3/3/78 x.20915

NEA/IRN:CWNaas

CONFIDENTIAL
GDS

AmEmbassy TEHRAN

INCOMING TELEGRAM CONTROL NO. NWC

MAR 19 1978

CONFIDENTIAL

P R 191605Z MAR 78
FM CMDT NWC WASH DC
TO RUEHIR/AMEMBASSY TEHRAN IRAN
INFO RUEHC/ SEC STATE WASH DC
UNCLAS
C O N F I D E N T I A L
SUBJ: NWC-9 FIELD STUDY TRIP
A. YOUR MSG 220759Z FEB 78
1. APPRECIATE EMBASSY'S ASSISTANCE.
2. GROUP WILL HAVE EIGHT MEMBERS, AS FOLLOWS:

NAME	GRADE/ORG	PASSPORT NO.
CLAUDE L. CLARK	COL, USA	YWCRYUUN
RICHARD H. HOWARTH	FSO-3	X118996
WILLIAM A. NAUGHTON	GS-14, DIA	Y1222566
PARD E. O'NEILL	MAJ, USAF	Y1434098
PAT R. PAXTON	LTC, USAF	Y1447720
ROBERT G. SANDS	GS-14, DOE	Y1245900
PAUL D. TAYLOR	FSO-3	X129597
ROBERT H. THOMPSON	GS-14, NAVY	Y1293642

MAJOR O'NEILL IS THE GOUP FACULTY SUPERVISOR AND COL CLARK IS

THE GRUUO LEADER.
3. REVISED ITINERARY NOW FIRM. ETA TEHRAN APRIL 9, 2030 HOURS VIA PAA 110. ETD APRIL 13, 0930 HOURS VIA IR409. PLEASE RESERVE FOUR DUBLE ROOMS AT MEDIUM PRICE HOTEL.
4. FOCUS OF GROUP INTEREST IS US SECRUITY AND FOREIGN POLICY INTERESTS IN PERSIAN GULF AREA. OF SPECIFIC INTEREST IN IRAN WOULD BE: INTERNAL POLITICS AS THEY RELATE TO STABILITY AND NATION-BUILDING; ECONOMIC DEVELOPMENT AND PLANNING, AND TREINDS AND ISUES OF OIL REVENUES; THE IRANIAN PERCEPTION OF SECURITY DEVELOPMENTS IN THE AREA AND IRAN'S ROLE; AND THE DEVELOPMENT, READINESS, AND MORAL OF THE MILITARY ESTABLISHMENT.
5. GROUP APPRECIATES SCHEDULING DIFFICULTIES THAT MIGHT BE OCCASIONED BY NEW YEAR HOLIDAY BUT DESIRES MEETING AT HIGHEST POSSIBLE LEVEL. PAST GROUPS HAVE MET WITH HIS IMPERIAL MAJESTY AND CURRENT GROUP WILL BE GRATEFUL FOR EMBASSY ATTEMPTS TO SCHEDULE SIMILAR CALL. OTHER DESIRED CALLS INCLUDE PRIME MINISTER, FOREIGN MINISTER, WAR MINISTER, FINANCE MINISTER, MINISTER OF PLANNING, MINISTER OF EDUCATION, AND DIRECTOR, NATIONAL IRANIAN OIL COMPANY. TIME PERMITTING, A MEETING WITH SECRETARY GENERAL, RASTAKIZ PARTY AND VISIT TO NATIONAL DEFENSE

CONFIDENTIAL

UNIVERSITY WOULD ALSO BE EXTREMELY USEFUL. GROUP STRONGLY DESIRES A COUNTRY TEAM BRIEFING, PREFERABLY AS FIRST ITEM ON COUNTRY SCHEDULE. INVIEW OF HIGH PROBABILITY OF JET LAG (GROUP WILL HAVE EMBARKED AT NEW YORK AT 1700 HOURS APRIL 8), LATE MORNING APRIL 10 WOULD BE OPTIMAL TIME FOR BRIEFING. SHOULD THE HOLIDAY SEASON BRING A SHORTAGE OF RESPONSIBLE OFFICIALS IN THERAN, EMBASSY MIGHT SCHEDULE A DAY TRIP TO ISFAHAN AND KHATANI F-14 BASE.
5. GROUP WILL HAVE FUNDS TO DEFRAY COSTS OF IN-COUNTRY TRAVEL. WHILE GROUP DOES NOT HAVE REPRESENTATION FUNDS, MEMBERS WILLING TO USE PERSONAL FUNDS TO AUGMENT EMBASSY FUNDS.
GDS: DECEMBER 1981

1978 MAR 13 AM 9:40

TELEGRAM

INDICATE ☐ COLLECT ☐ CHARGE TO

02550

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	LIMITED OFFICIAL USE

E.O. 11652:
TAGS:
SUBJECT:

ACTION:
USIS5
AMB
DCM
POL
ECON
CRU
10

ACTION: USIA WASHDC PRIORITY

LIMITED OFFICIAL USE TEHRAN 02550

USIAC

E.O. 11652: N/A

SUBJ: COUNTRY PLAN INSTRUCTIONS: BILATERAL COMMUNICATIONS RELATIONSHIP

REF: A. USIA 6048, B. USIA 6473

1. BEGINNING LATE IN THE LAST CENTURY, IRAN TURNED TO THE UNITED STATES AS THE PREFERRED PATRON FOR ITS INTERNATIONAL DEALINGS. THE UNITED STATES RESPONDED AFFIRMATIVELY AND, PARTICULARLY AFTER WORLD WAR II, MADE A MAJOR COMMITMENT TO IRAN'S SOVEREIGNTY. WHILE THE NATIONAL SECURITY ASPECT IS FOREMOST IN IRAN'S RELATIONSHIP WITH THE UNITED STATES, THIS COUNTRY IS ONE OF THE UNITED STATES' TEN MOST IMPORTANT TRADING PARTNERS, AND AN INTEGRAL SUPPLIER OF OIL TO THE INDUSTRIALIZED DEMOCRACIES. IRAN CAN AND DOES CLAIM A VERY SPECIAL RELATIONSHIP WITH THE U.S. WHICH IS RECIPROCATED.

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
USIS:PAO:JHShellenberger:plw	3/13/78	1433	DPAO:DAZischke

CLEARANCES:

WH:WSullivan (draft)

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CLASSIFICATION

OPTIONAL FORM 153
(Formerly FS-413)
January 1975
Dept. of State

FS-63-101

2. THE COMMUNICATION RELATIONSHIP BETWEEN THE UNITED STATES AND IRAN IS ONE THAT BOTH COUNTRIES TAKE SERIOUSLY AND SEEK TO EXTEND.

3. AT POLITICAL ELITE LEVELS, INTERCOMMUNICATION IS EASED BY THE FACT THAT MANY SUCH IRANIANS ARE THE MOST LINGUISTICALLY SKILLED, WIDELY TRAVELLED, HIGHLY EDUCATED (MOSTLY IN THE U.S.) OF ANY GROUP IN THE MIDDLE EAST WITH THE POSSIBLE EXCEPTION OF ISRAEL AND LEBANON. SOURCES OF INFORMATION ABOUT THE UNITED STATES, MOREOVER, ARE READILY AVAILABLE THROUGH LOCAL MEDIA AND OTHER OUTLETS, NONE OF WHICH SYSTEMATICALLY DISTORTS OR DISPARAGES THE U.S. THE ENGLISH LANGUAGE RADIO AND TV CHANNELS ARE MAINLY VEHICLES FOR USUALLY BENIGN AMERICANA AND ARE AUDITED BY INTERESTED IRANIANS WHOSE TOLERANCE OF CULTURAL IMPORTS REMAINS RELATIVELY HIGH. FACE TO FACE CONTACTS WITH AUTHORITATIVE AND KNOWLEDGEABLE AMERICANS IN SPHERES RELEVANT TO MISSION GOALS IS NOT ONLY POSSIBLE BUT FREQUENT UNDER BOTH USG AND OTHER AUSPICES.

4. WITH SOME 60,000 IRANIANS STUDYING AT ALL LEVELS IN THE UNITED STATES, THE CADRE OF PROFESSIONALS HERE CONVERSANT WITH THE U.S. AND ITS WAYS INCREASES GEOMETRICALLY AT THE END OF EACH ACADEMIC YEAR. CONNECTIONS THROUGH MARRIAGE ARE ON THE RISE. THERE ARE SOME 50 FORMAL UNIVERSITY AFFILIATIONS BETWEEN IRAN AND THE U.S., ABOUT 250 AMERICAN EDUCATORS ON THE FACULTIES OF IRAN'S MAJOR UNIVERSITIES (SEVEN FULBRIGHTERS) AND SCORES

MORE IN THEIR TRAINING INSTITUTIONS. THERE IS A LARGE, VARIED AND ACTIVE U.S. BUSINESS COMMUNITY RESIDENT IN TEHRAN.

5. IN SHORT, DIALOGUE BETWEEN IRAN'S COSMOPOLITAN INFLUENTIALS AND AMERICAN COUNTERPARTS IS INTENSE, SUSTAINED, AND IS CONVEYED THROUGH EVERY IMAGINABLE MEDIUM. THE ELITE STRATUM, HOWEVER, INCLUDES X SIGNIFICANT NUMBERS WHOSE KNOWLEDGE OF ENGLISH IS RUDIMENTARY. DIALOGUE WITH LESS SOPHISTICATED INFLUENTIALS IS LIMITED FOR BOTH LANGUAGE AND CULTURAL REASONS; ITS ABSENCE COULD PROVE AN ADVERSE FACTOR SHOULD PRESENT UNSETTLED CONDITIONS AMONG THE LEAST EDUCATED WORSEN. THE DILEMMA FOR ICA IS HOW AND WHETHER IT CAN COMMUNICATE PURPOSEFULLY WITH AN INCREASINGLY IMPORTANT AUDIENCE UNIVERSE TRADITIONALLY REMOVED FROM USIS ACTIVITY. MEDIUM WAVE AND SHORT WAVE FARSI LANGUAGE BROADCASTS FROM ABROAD ATTRACT THE POLITICALLY CURIOUS AT ALL SOCIAL LEVELS. ALTHOUGH NOT DISCUSSED IN MISSION GOALS, GREATER ICA ATTENTION TO THIS MATTER IS IN ORDER.

6. A SOURCE OF UNDERLYING TENSION IN THE COMMUNICATION RELATIONSHIP BETWEEN THE U.S. AND IRAN, NOT SUSCEPTIBLE TO ICA TREATMENT, IS WHAT ONE SPECIALIST DESCRIBES AS A QUOTE PERCEPTIBLE DISCONTENT AMONG MIDDLE CLASS PROFESSIONALS WITH THE PATRIMONIAL BASIS OF POLITICS IN IRAN UNQUOTE. KNOWLEDGE OF AMERICAN POLITICAL VALUES, THOUGH NOT UNCRITICAL, LEADS MANY IRANIANS TO BECOME FRUSTRATED AND UNCOMFORTABLE WITH THE

CAPRICIOUSNESS OF THEIR OWN SYSTEM. HARKENING TO PERSIA'S SPECIAL CHARACTER AND TRADITION PROVIDES INSUFFICIENT RATIONALE FOR MANY THOUGHTFUL PROFESSIONALS WHOSE GOAL OR DREAM IS TO EMIGRATE TO THE U.S.

7. THE PHYSICAL ENVIRONMENT CAN ADVERSELY AFFECT FACE TO FACE COMMUNICATION. IN TEHRAN, CONGESTED, CHAOTIC TRAFFIC AND POLLUTION, INFLATION, SOCIAL SERVICE BREAKDOWNS, PREOCCUPY RESIDENT AND VISITING AMERICANS (TEHRANIS AS WELL) WHOSE INTEREST IN AND UNDERSTANDING OF IRAN ARE ORDINARILY MINIMAL. IN THE U.S., IRANIAN STUDENT GHETTOS, PEOPLED BY THE UNQUALIFIED IN TERMS OF LANGUAGE ABILITY AND CULTURAL RAPPORT, SUPPORTED BY AMERICAN DISSIDENTS, BECOME SPAWNING GROUNDS FOR ANTI-REGIME POLITICAL ACTIVISM--DISINFORMATION TO DISCREDIT THE U.S.-IRAN RELATIONSHIP--RATHER THAN ACADEMIC ACHIEVEMENT. THE IMAGE OF IRAN AMONG SOME INTELLECTUAL GROUPS IN THE U.S. IS NEGATIVE. THIS AFFECTS THE NUMBER AND QUALITY OF AMERICANS WILLING TO CONNECT WITH IRAN. ICA OVER THE SHORT TERM CAN ASSIST IN TREATING CERTAIN OF THESE PROBLEMS THROUGH ORIENTATION PROGRAMS IN BOTH THE U.S. AND IRAN.

8. ESCAPE VALVES FOR DISCONTENT HERE ARE IN EVIDENCE. MEDIA RESTRAINTS HAVE BEEN EASED. DESPITE DISORDERS, THE SHAH HAS YET TO REVERSE LIBERALIZATION MEASURES. IRAN'S ENFORCED EVOLUTION TOWARDS GREATER DECENTRALIZATION OF THE DECISION-MAKING PROCESS SHOULD BE AMELIORATIVE. AS IRAN MODERNIZES, NEW

FORCES AND GROUPS ARE EVOLVING INTO IMPORTANT CENTERS OF INFLUENCE. ICA AND THE EMBASSY WILL COLLABORATE IN ASSESSING SUCH COMERS, IN TERMS OF ICA PRODUCTS AND PROGRAMS.

9. MILITARY MODERNIZATION, MAINTENANCE OF ECONOMIC MOMENTUM, OIL PRICE DECISION TAKING, REGIONAL POLITICAL/ECONOMIC INITIATIVES, INTERNAL SECURITY ARE THE SORTS OF PREOCCUPATIONS WHICH SXXXXX SUBSTANTIVELY INVOLVE A VERY LIMITED IRANIAN POLITICAL ELITE WHO HAVE UNLIMITED AND IMMEDIATE ACCESS TO RELEVANT AND AUTHORITATIVE U.S. INFORMATION AND PERSONALITIES. SUCH ACCESS, HOWEVER, DOES NOT EASILY PERSUADE IRAN'S INNER CIRCLE AS TO THE VALIDITY OF U.S. POLICIES. THE USG SYSTEM OF CHECKS AND BALANCES, ADMIRED IN THEORY, INTERRUPTS THE DECISION-MAKING PROCESS AND MARS THE U.S. IMAGE AS A RELIABLE ALLY IN MEETING PRESSING INTERNATIONAL AND DOMESTIC ISSUES (E.G., HORN OF AFRICA, ENERGY LEGISLATION). THE IRANIAN INNER CIRCLE REGARDS THE CARTER ADMINISTRATION'S HUMAN RIGHTS CONCERNS AS MISPLACED, GIVEN THE PRIMACY IT RHETORICALLY ASSIGNS TO MEETING HUMAN NEEDS. CERTAIN NORTH/SOUTH ECONOMIC ISSUES ARE XX VIEWED DISSIMILARLY WITH IRAN SUBSCRIBING MORE DOCTRINARILY TO THE NEW WORLD ECONOMIC ORDER CONCEPT. IRAN'S LINK TO THE DOLLAR IS TROUBLING TO SOME. ATTITUDES ON THE ROLE OF MEDIA DIFFER WITH IRAN SYMPATHETIC TO CHARGES THAT THE THIRD AND FOURTH WORLDS ARE CONSCIOUSLY MISREPRESENTED BY WESTERN MEDIA. ICA CAN ADDRESS CERTAIN OF THESE CONCERNS

THROUGH MULTIREGIONAL EXCHANGE PROJECTS, SEMINARS AND BACKGROUND INFORMATION.

10. THERE ARE IMPORTANT SUBJECT AREAS WHERE ICA-U.S.-IRANIAN COMMUNICATION OVER THE LONGER TERM WILL ENHANCE THE BASIC RELATIONSHIP. THESE ARE FIELDS WHERE THE U.S. EXPERIENCE AND TENDENICES ARE RELEVANT TO BOTH U.S. AND IRAN INTERESTS AND NEEDS, WHERE THE CIRCUITS ARE SUFFICIENTLY NUMEROUS (ESPECIALLY OUTSIDE TEHRAN AND AT CERTAIN OF THE NEWER ACADEMIC INSTITUTIONS) AS TO AVOID REDUNDANCIES. THEY INCLUDE ALTERNATE ENERGY SOURCES AND THE NUCLEAR PROLIFERATION QUESTION, EXCELLENCE IN EDUCATION, ENVIRONMENTAL CONCERNS, AMERICAN AND PERSIAN STUDIES, COMMUNICATIONS IN NATIONAL DEVELOPMENT, STUDENT ORIENTATION/COUNSELING, ENGLISH TEACHING, TRADE PROMOTION AND THE FINE ARTS.

SHELLENBERGER

CONFIDENTIAL

COUNTRY TEAM MINUTES

March 29, 1978

The Ambassador reviewed his flight to Kish Island and his discussions there with the Shah regarding Begin's U.S. trip, dissidence, South Lebanon and General Motors.

Following a brief discussion on the proper acronym for the new International Communications Agency, the Ambassador asked Mr. Westley to put out the information regarding the "Benchmark Survey of U.S. Direct Investment Abroad". U.S. companies should know that failure to reply is a punishable offense.

The Ambassador said he understood that General Rabii had told Armish/MAAG that the Boeing AMST had been certified for civilian procurement. General Gast said he had checked that out with the Pentagon and learned that Rabii's information was incorrect. General Gast will so inform General Rabii.

The Ambassador discussed several SY matters: (1) the letter delivered to USIS Kabul, purportedly by the Chariks; (2) the order for us to convene the Mission Watch committee; (3) the bomb threat to the Community Church; (4) the instruction on how to deal with hijackings, threats of hijacking and threats of sabotage; (5) the cable on possible damage to petroleum installations.

On the subject of ocean-going tugs, the Ambassador asked Mr. Martin to cable that we should proceed on a LOA basis, switching later to commercial if necessary.

The Ambassador asked Mr. Westley to go ahead and prepare a survey on potential footware sales to Iran even though it seems a bit like carrying soles to Newcastle.

The Ambassador asked Mr. Ferree to handle the Boy Scouts' request to plant trees here during their 1979 Jamboree. Mr. Ferree said it sounded like a cultural event. The Ambassador said it was agri-cultural. The possibility of using chromed shovels to dig the holes was briefly reviewed.

The Ambassador asked that Mr. Taylor be sure and follow up on the recommendations recently made concerning the child abuse problem.

The DCM said there would be gatherings in several cities tomorrow to commemorate the fortieth day after the Tabriz riots.

CONFIDENTIAL

Mr. Shellenberger said he had talked with Washington concerning "Tehran '78" and they will try and get in touch with Nelson Rockefeller and Nancy Hanks. The Germans and British will each provide modest displays.

The word from Isfahan is that the government is ready to donate some land to the IAS in a symbolic gesture.

General Gast said General Huyser would be delighted to have a family dinner with the Sullivans. He also reported that the Bandar Abbas airbase lost an F-4 yesterday on a training mission. He said he understood that Secretary Alexander will delay his trip to Iran by thirty days.

Mr. Westley reported that he met with representatives of the U.S. company that sold the GOI its tunneling equipment for the Metro. Concerning the ganats and sewers, he said the machines will be protected, but the crews will need foul weather gear.

Mr. Lambrakis reported briefly on his travels in the Gulf area. Mr. Ferree reported on his travels to the USSR.

Mr. Martin said he had been visited by a Mr. Geiss of TRW concerning TRW's push to become systems interpreter for the air defense system.

The Army Attache spoke briefly about Iran's presence in Dhofar.

Mr. Goelz introduced new employees Sandra Mendyk and Bob Sorenson

S/A:RBoyce:lab:4-4-78

DISTRIBUTION:

AMB	DAO
DCM	ARMISH/MAAG
POL	CONS
POL/MIL	DEA
OR	NEA/IRN
ECON	INR/RNA
ADMIN	AMCONSUL ISFAHAN
USIS	AMCONSUL SHIRAZ
S/A	AMCONSUL TABRIZ

CONFIDENTIAL

COUNTRY TEAM [redacted]ES

APRIL 5, 1978

The Ambassador said he and Mr. Brewin had visited the Ministry of Industry yesterday to discuss three American investment projects, none of which seems to be prospering. Ford Motor Company, on the other hand, appears to be heading towards a contract for a major car manufacturing plant.

The Ambassador was called to the Foreign Ministry late yesterday to hear the Acting Foreign Minister read him parts of the GOI's response to the U.S. human rights statement. The Ambassador said he would ask Dr. Stempel to go down to the MFA for a copy when it becomes available.

A message has arrived concerning Mrs. Azhari's admission into Bethesda Naval Hospital. Colonel McKenzie will ensure that she knows about it before the morning of April 6, Washington time.

On the message regarding acceptance procedures for crude oil for the U.S. petroleum reserve, Mr. Brewin will ask Mr. Bash to reply.

One of the Pahlavi Princes is going to the U.S. for eight months of helicopter training. The Ambassador wondered if U.S. security organizations had been informed. Mr. Martin will check with OSI.

The latest in a flood of messages on personnel ceilings arrived this morning, asking for reductions of one each US and FSL core position and one each US and FSL program position. Mr. McLaughlin will look into our situation.

The Ambassador asked Mr. Brewin for the latest on the Rumanian Intelsat matter and Mr. Martin for the same on howitzers for Morocco. In both cases, the Now Rouz problems of establishing contact with Iranian officials appear to be lingering on.

The DCM spoke last night with the East German Ambassador, who reported that things look brighter for their relations with Iran. A high-level representative will come to Tehran in the near future.

Mr. Shellenberger said Roloff Bény will be contacting us for our good offices in arranging for his photos to be displayed in the U.S. There was some discussion of whether such a show, were it to be sponsored by the GOI, might attract disruptive Iranian students and other such hooligans.

CONFIDENTIAL

MFA spokesman Parviz Adl was on TV last night explaining a new MFA group to be formed to inform overseas Iranians of the "true story" behind the recent disruptions.

General Gast is going to Shiraz this afternoon to meet Secretary Stetson. There was some discussion about possible topics which the Shah might raise in their meeting. The Ambassador suggested looking at Mr. Martin's list of items approved for sale by President Carter. He also asked that General Gast look into certification of AMST. General Gast said he has spoken with Rabii.

On the safety survey, two bases are completed with another expected soon.

Mr. Brewin introduced Ralph Buck, a new Econ/Commercial officer. Mr. Brewin said he had spoken with Mr. Sober last night on Lend-Lease. There was some discussion as to what Mr. Garnitz of Commerce may want to talk about regarding the Trade Center's future. Mr. Brewin and Mr. Ryno will see the Ambassador to shape a coherent and unified Mission policy.

Mr. Lambrakis reported on the latest rumors of disturbances, bombings, demonstrations and general rowdyism. The GOI is obviously committed to publicizing all the activity, perhaps as a means to build public sentiment against the thuggery.

In Rezaieh, Majidi presided over the first meeting of a Rastakhiz group formed to counter the troublemakers. The Ambassador commented that the new Rastakhiz Party building, which is going up very rapidly, has very few windows.

Mr. Ferree thanked the Ambassador for appearing at last night's Food Show. He said the Bean Man and the Meat Man did a lot of business. Mr. Mahdavi's remark that Iran wants more joint ventures rather than more sales of foreign foods was noted.

Mr. Martin reported that he received GE's brochure promoting the German frigates this morning. He also discussed a visit from representatives of the company producing the Mark 48 torpedo. They are still pursuing the possibility that it may be released to Iran.

The National War College itinerary is firming up nicely.

Mr. McLaughlin reported that John Conley of NEA/EX arrives tomorrow and that work continues apace in securing a student visa annex before June.

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COUNTRY TEAM MINUTES

19 April 1978

Ambassador Sullivan opened the meeting with a review of this busy week's events. The Iranians have agreed to send additional troops to South Lebanon; the GOI will become chairman of the Fifth Committee; CENTO Foreign Ministers are meeting in London; General Huyser visited Tehran; General Graves is here now; the Panama Canal vote went through this morning; and Secretary Vance is headed for Moscow.

The Ambassador asked Mr. Lambrakis to report on Iranian attendance at the Special Session on Disarmament in New York. He asked Colonel Vandermeer to get a copy of the message on compatibility of Iranian and Turkish AWACS. He asked Mr. Shellenberger about the USICA Country Plan.

The DCM asked all Counselors writing OERs to please finish and get them to the reviewing officer by tomorrow.

Mr. Shellenberger reported on current USICA activities. The mime troupe will appear in Isfahan and Shiraz in the next few days. A secondary school group from the U.S. is in town working on improvement of curriculum concerning foreign lands. Next week, Judge Shirlev Hofstedler will arrive.

The Ambassdor said a group of women including Mrs. Potter Stewart is in town. They are scheduled to meet the Empress and Princess Ashraf. The Ambassador asked about the group pictured in today's papers presenting greetings from Mrs. Carter to the Shahbanu. No one knew who they were (Note: They were Mr. and Mrs. Carlton Hicks and Mr. and Mrs. James Bishop, personal friends of the Carters.)

Colonel Vandeermeer said General Gast is downcountry with General Graves. He asked the Ambassador about an April 23-29 visit by General Stone, who is replacing General Mueller.

Mr. Lambrakis reported the Journal de Tehran's swipe at official spokesmen making statements such as "Iran is going through the most dangerous period in its history.". He also discussed the report by Majidi, Ansari and Ameli. Ameli's statements on foreign interference in Iran were also interesting.

The Ambassador asked about the restaurant advertisements painted on the Embassy wall.

Mr. Lambrakis said he heard from the British that the Italian Joint Commission had been cancelled and reported speculation that the British would soon follow. The rumor is that the Amouzegar Government has decided that Joint Commissions are not the wave of the future.

Mr. Boyce reported on the visit of Assistant Secretary of Transportation Davenport, who is in town to follow up on Joint Commission business discussed in Washington.

Mr. Ryno discussed the Trade Center meeting with State and Commerce representatives, calling it "good and useful" He thanked the Ambassador for his low-key presentation.

The Ambassador asked Mr. Dedich if he would be here during Ms. Falco's visit. Mr. Dedich said he would be, but that Dr. Stempel would be on R & R. They are suggesting that Falco alter her itinerary so as to be able to visit with the Doctor.

Mr. Bannerman reported on the finishing touches to our new, improved lobby. He asked for a week's grace period before the criticism starts.

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CONFIDENTIAL TEHRAN 3697

E.O. 11652: XGDS-1

TAGS: PGOV, PINT, IR, UK

SUBJECT: BRITISH VIEW OF SITUATION IN IRAN

REF: LONDON 6269 (NOTAL)

1. WE WERE INTERESTED BY ACCOUNT OF ASSISTANT SECRETARY SAUNDERS' DISCUSSIONS WITH FCO ASSISTANT UNDER SECRETARY WEIR AND DEPARTMENT HEAD LUCAS ON APRIL 18 REGARDING THE SITUATION IN IRAN. WE SHARE MOST OF THE PERCEPTIONS MENTIONED BY THE FCO OFFICIALS, BUT WOULD DIVERGE FROM THE OVER-ALL TONE COMMUNICATED PERHAPS AS A RESULT OF COMPRESSION IN RELATIVELY SHORT CONVERSATIONS.

2. THE SHAH HAS REMARKED TO AMBASSADOR SULLIVAN AND ALSO PUBLICLY REGARDING HIS DETERMINATION TO PROCEED WITH HIS INTERNAL LIBERALIZATION PROGRAM. AS NOTED BY THE BRITISH THIS HAS PRESENTS A NUMBER OF DIFFICULTIES AND

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
POLCOUNS:CBLambrakis:lr	4/25/78	1110	DCM:JCMiklos

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DILEMMAS. WE HESITATE TO DRAW THE CONCLUSION THAT THE SHAH "HAS BEEN UNWILLING TO INTRODUCE GENUINE POLITICAL INSTITUTIONS" SINCE WHAT IS "GENUINE" IN A PERSIAN CONTEXT WOULD BE DIFFICULT TO IDENTIFY. IT IS HARD TO RECALL A PERIOD OF MODERN IRANIAN HISTORY WHEN SUCH POLITICAL INSTITUTIONS EXISTED AND WERE EFFECTIVE.

3. THE SHAH'S PROBLEM APPEARS TO US RATHER ONE OF PUSHING THE PROCESS OF CREATION OF MODERN INSTITUTIONS, WHILE PROTECTING HIS FLANKS FROM EXTREMISTS OF LEFT AND RIGHT AND MAINTAINING A VIABLE RELATIONSHIP WITH THE CONSERVATIVE RELIGIOUS LEADERSHIP WHICH HAS GREAT INFLUENCE WITH HIS PEOPLE. THERE IS AN ELEMENT OF "ACCIDENT" IN SOME OF THE COOPERATION CURRENTLY EXISTING BETWEEN RELIGIOUS AND OTHER (INTELLECTUAL LEFT WING) DISSIDENTS, BUT ACCIDENT IS HARDLY THE KEY ELEMENT. RATHER, WHAT WE ARE BEGINNING TO ANALYSE AS A BREAKDOWN OF COMMUNICATIONS BETWEEN THE MODERNIZING ESTABLISHMENT AROUND THE SHAH AND THE RELIGIOUS CONSERVATIVES COULD LEAD TO SERIOUS INTERNAL INSTABILITY WHICH THE TRADITIONAL LEFT WING AND NATIONAL FRONT OPPONENTS OF THIS CONSERVATIVE MONARCHY WOULD CONSCIOUSLY SEEK TO CAPITALIZE ON. AS THE BRITISH SUGGEST, A GOOD DEAL OF THIS IS OF THE SHAH'S OWN MAKING, IF ONLY BECAUSE THE SERIOUS RELIGIOUS OUT BREAK AT GHOM IN JANUARY APPEARS TO HAVE BEEN TRIGGERED BY AN AWKWARD AND PERHAPS ILL-CONSIDERED NEWSPAPER ATTACK ON RIGHT WING RELIGIOUS OPPONENT (AYATOLLAH KHOMEINI) IN

THE PROCESS OF SEEKING TO INVOLVE THE POPULACE IN MORE POLITICAL ACTIVITY AND DIALOGUE.

4. WHILE WE AGREE WITH THE BRITISH EMBASSY HERE AND THE FCO THAT THERE IS AN ECONOMIC DIMENSION TO THE DISSATISFACTION AT PRESENT, THE ROOTS OF DISSIDENCE DATE BACK MANY YEARS DERIVING FROM PAST POLITICAL ALIGNMENTS AND BATTLES, AND WE DOUBT THE BRITISH ANY MORE THAN WE WOULD EXPECT THE CURE TO LIE IN ECONOMIC IMPROVEMENTS. THE SHAH'S TECHNIQUE OF CONTROLLING THE ARMY SECURITY FORCES, MINISTRIES, AND OTHER POTENTIAL CHALLENGERS TO HIS MONARCHY INDEED RESEMBLES PARALLEL PILLARS MORE THAN A PYRAMID, BUT IT HAS WORKED PRETTY WELL FOR HIM, PARTICULARLY WHEN COMPARED WITH WHAT HAS HAPPENED IN MANY SURROUNDING COUNTRIES.

5. WHILE THE DISTURBANCES IN IRAN ARE INDEED THE WORST FOR 15 OR SO YEARS (SINCE 1962-63), THE SHAH'S METHOD OF REACTING TO THEM IS QUITE COMPLEX. EMBASSY HAS IN PREPARATION, AND WILL SOON BE SENDING, A LONGER PIECE ANALYZING SOME OF THE KEY DEVELOPMENTS IN IRAN OVER THE PAST YEAR, OUR VIEW OF THE SHAH'S AIMS AND POLICIES, AND ESTIMATES AS TO WHERE THEY MAY BE LEADING.

SULLIVAN

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COUNTRY TEAM MINUTES

26 April 1978

Ambassador Sullivan opened the meeting by reporting that we have finally received instructions to move on the nuclear bilateral negotiations. Mr. Miklos is to see Mansour today. In other news from Washington, the Middle East jet sales package appears to be in trouble. If Congress shoots it down, sales to Iran would also be affected during this session.

The Ambassador commented on our distinguished visitors--Ronald Reagan, George Bush and Margaret Thatcher--and commented that Tehran seems to be the site for an opposition parties congress.

The Ambassador asked Dr. Stempel about the Majles member who spoke up against the Tehran bombings. Dr. Stempel said he was the same gadfly who presented the recent motion to censure the government over Tabriz.

The Ambassador asked Mr. Goelz about the purported requirement for Bell employees to surrender their passports to the company. Mr. Goelz said the company merely needed the passports to obtain the employees' working papers, etc. The process takes a long time, but the passports are returned.

Mr. Miklos noted that we have been reprimanded by the Department for not getting our financial program on our language program in on time. He said PER had been "sensitized" to this.

Mr. Shellenberger reported on USICA's current visitors. Judge Shirley Hufstedler, Yale professor David Abter, solar energy expert Jerry Weingarter and the U.S. Citizens for Congressional Education are all in town or on their way. The last group includes among its entourage Rabbi Korff, his daughter, her governess and Frances Knight.

Mr. Shellenberger said he had heard of a serious clash at Tehran University yesterday, involving "pro-regime" against "anti-regime" groups. Classes were suspended in three faculties. He also said leaflets were all over National University depicting the Shah as the stooge of President Carter. It was noted that these were the work of "antis".

Mr. Shellenberger invited those interested to see a videotape of Ambassador Reinhardt explaining the reorganization into USICA.

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In response to a question from Mr. Brewin, the Ambassador said he had spoken with Ambassador Parsons regarding the deep seabed mining idea. The British have put the idea to the Iranians though not directly to Ansari at NIOC.

Dr. Stempel reported Rastakhiz's correction of the Shah's statement that inflation had been cut to 12.6%. Citing a typographic error, the paper reported a true figure of 17.6%. The whereabouts of the printer who made the error are not presently known.

In another party note, the constructive wing of the Rastakhiz Party is off to Isfahan today to attend further mass rallies of popular support.

Mr. Ferree had nothing to report save his trip to Mahdavi's farm. Mahdavi sent the Ambassador some fresh strawberries which the Ambassador will give the Governor Reagan in lieu of sour grapes.

Commander Haack reported that the Dutch still appear to hold an 8 to 4 edge in the frigate-selling area. The German delegation left yesterday and is scheduled to return in July. The Ambassador said some GE people told him the Iranians are keeping their options open until they see if the U.S. will give approval to use a complete U.S. weapons suite.

Mr. Dedich reported on the new major violator program. Dr. Adler said that rumors indicate that the scientists who accompanied President Scheel might have been talking with the GOI about two additional nuclear units. He said this was disturbing, as it runs counter to the Westinghouse information on Iranian purchasing plans.

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COUNTRY TEAM MINUTES

May 3, 1978

Ambassador Sullivan opened the meeting by saying that events in Afghanistan had resulted in a major change in the area's strategic situation. For the Iranians, the coup is a nightmare come true; we can expect changes in the treatment of Soviets, Afghans and Iranian dissidents. He said we are moving towards recognition of the new regime.

William Butler of the International Commission of Jurists was in town. He saw the Shah down South and made his points about changes in the judicial system, etc. The Shah apparently accepted Butler's remarks. Mr. Lambrakis will prepare a cable.

The Ambassador asked Mr. Martin about the neutron bomb issue. Mr. Martin will take it up with Goodarznia.

We have a message from Nelson Rockefeller regarding his plans to see the Shah on Kish Island on May 5. Colonel McKenzie is looking into the fuel supply situation.

The Ambassador noted that this was Mr. Miklos' last Country Team meeting. Mr. Miklos, after thirteen years of Iran-related work, said he will continue to keep a close eye on Iranian affairs from his next vantage point.

Mr. Miklos then discussed Iran's offer to supply more UNIFIL troops to Lebanon provided the Israelis withdraw. In his final note, he announced that the Department has decided that the Law of the Sea reports have been too detailed, and we will now start receiving weekly summaries only.

Mr. Shellenberger reported on the "Moral Education through Art" show, which was fittingly opened by Princess Ashraf. While he was there, he spoke with the Deputy Chief of Protocol, who said he was positive the Afghan Coup was Soviet-inspired.

Judge Shirley Hufstedler had a good visit, and Yale Political Scientist David Apter is coming in this weekend.

The Ambassador mentioned that he had seen Rabbi Korff yesterday; the Rabbi and his entourage are developing a fairly large project.

Admiral Conolly reported that officers who had been placing orders with the local Ford representative had learned that he has not been entering their orders with the dealer. Mr. Bannerman will investigate.

Mr. Brewin reported on our new data on Iran's foreign trade ove the past fiscal year. Non-military imports are up 3.4% and non-oil exports are up 7%. Both increases are due largely to inflation.

Mr. Lambrakis discussed the continuing incidents and the visits of the Moroccan and Italian Foreign Ministers.

Mr. Ferree reported on the proposed call by the Minister of Agriculture on Secretary Bergland. The Ambassador asked whether this had been coordinated with the State Department to ensure a proper reception at the U.S. port of entry, etc. Mr. Ferree said he would check.

Mr. Martin discussed the Gould effort to sell Iran the MK-48 Torpedo. Apparently Admiral Habibollahi wrote to the U.S. Navy and asked for information on the torpedo to see if, when and if it is released, it might fit with the German submarines. Admiral Conolly said the torpedo probably never will be released

Mr. Gingles said he has a meeting this Saturday regarding the Tabriz land issue. He indicated that the deal was "still moving

Mr. Byrnes reported that FAA now has six of its nine permanent experts on board. A budget of $18.5 million has been submitted to the Imperial Ministry of War, of which a major portion is for U.S. goods and services. It is hoped that one of the major components will be the new Mehrabad tower.

The Ambassador asked about the T-34 crash. Mr. Byrnes explained that the plane was on a training demonstration.

Mr. Westley, freshly returned from Afghanistan, reported on one man's view of the coup d'etat.

Mr. Ryno combined an announcement of International Sun Day with report that the solar energy show was probably the Trade Center' best ever.

Mr. Snow reported on the IAS display of twelve contemporary US artists. Mr. Miklos, in his final comment, said that "contemporary" usually translates as "crazy as hell."

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COUNTRY TEAM MINUTES

May 10, 1978

The Minister chaired the meeting in the absence of Ambassador Sullivan who is attending an ICA-sponsored American Studies Conference in Shiraz. Mr. Naas requested that Mr. Gingles prepare a list of Embassy committees and to arrange a schedule of committee meetings prior to the Inspectors' arrival. Last night Mr. Naas was the recipient of a lecture on the ineffectiveness of U.S. foreign policy from visiting Pak Foreign Adviser Agha Shahi.

Mr. Zischke reported that demonstrations at Pahlavi University have not affected the American Studies Conference sessions. There was a bomb threat at IAS Isfahan yesterday. The building was subsequently evacuated and no bomb was discovered.

General Secord said that Armish-Maag has received reports from Tabriz on the demonstrations which took place there yesterday.

Mr. Brewin noted that a large Norwegian trade delegation is in Tehran and the Economic Section will report on the outcome of their visit. An American firm, National Homes Co., has received one half of a new contract for pre-fabricated houses. The other half was received by a Swiss consortium which has some U.S. participation.

Mr. Lambrakis reviewed today's press stories on demonstrations around the country. Apparently a Shiraz doctor, arrested for distributing subversive literature, was remanded to military court because the civil court judge was unaware of new procedures in this regard. Mr. Naas remarked that it is difficult to keep accurate figures on prisoners released and those detained and cautioned that Embassy reporting take this into account.

Mr. Ferree reported on visiting representatives from the American Poultry and Egg Institute and representatives from Uncle Ben's Rice. Latter product has had distribution problems with only 5,000 tons of a half million ton shipment sold.

Mr. Martin said that a momento from the USS Caron (DD-970) was given to General Azari yesterday by Army Secretary Alexander, assisted by USAF Maj. General Gast, in the presence of GOI Adm. Habibollahi. In another matter, we have learned that the GOI will decrease several elements in the long range military

procurement package, principally with respect to artillery tubes.

Mr. Gingles announced two upcoming Embassy events. Tomorrow a video tape on the "Selling of the F-14" will be shown at the Caravansari. On May 12 there will be a party to open the Embassy swimming pool.

Mr. Goelz introduced Cy Richardson, a new member of the Consular Section.

Mr. Fulmer was asked by Mr. Naas to obtain figures from the Department of Commerce on American export sales relating to the Tehran Trade Center promotion activities.

Mr. Dedich will assist with an Iranian National Police training course for customs officials. He also reported on the arrest of two Iranians in Holland for heroin trafficking.

Mr. Bannerman reported that La Fontaine restaurant in Isfahan received a bomb threat prior to a scheduled dinner for Secretary Alexander. The Secretary's party transferred their patronage to their hotel. The threat does not appear to have been directed against the American party.

Mr. Carleton has learned of reports that the Germans and French may each sell two more reactors here -- the Japanese are also rumored to have possibilities. Such sales would put us out in the cold.

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COUNTRY TEAM MINUTES

MAY 17, 1978

The Ambassador opened the meeting by noting that things have calmed down somewhat lately. He said he would like to learn exactly what the police have been instructed to do in the event of disturbances.

With the Senate vote on the jet sales to Saudi Arabia, Egypt and Israel, the way is now clear to move ahead on some of our military sales. General Gast and Mr. Martin will consult with the Iranians and then send a paper to Washington.

The Ambassador discussed rumors of a high-powered Aspen meeting to be held in Tehran. Reportedly, Edward Heath and perhaps Henry Kissinger will be among the delegation.

The Ambassador asked Mr. Westly about the investment climate paper. The first draft is in, but it will not be finalized until July. The Ambassador then brought up the instructions on the Crescent Petroleum matter, saying he felt they should send their lawyers here first. Mr. Naas will draft something.

It was noted that Mrs. Esther Baldwin is not coming.

There is no answer yet on poppy production and aid to Pakistan: Dr. Stempel is in Mashad, but Mr. Lambrakis will speak with Mr. Dedich.

The Ambassador said he had asked Mr. Bash to draw up the figures on U.S. dependency on Middle Eastern oil. The Shah and others have been saying that 50% of U.S. imported oil is from the Middle East. For the record, the actual figure is 17%.

Mr. Naas said he had spoken with Mr. Nosenzo and is now waiting for a cable before seeing Mansur. He said inspection preparations seem to be going well. He also asked each section chief to prepare a memo on his anticipated representational needs over the coming year so as to better proportion out the anticipated extra money in the DCM's fund.

Mr. Shellenberger announced an upcoming IAS luncheon with Daniel Lerner. The topic will be "Mass Media and Its Effect on Social Development in Iran." Another upcoming event will feature the work of Milton Glazer, the "father of graphic arts."

Mr. Shellenberger asked Mr. Lambrakis about the Journal de Teheran's item which relays the fraternal greetings of the Italian Communist Party to the Tudeh Party.

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Mr. Lambrakis reported general quiet yesterday save for an incident at Tehran University. The police drove student demonstrators off campus with batons. Reviewing other events, he concluded that there was lots of talk, lots of uncertainty, lots of turmoil, but nothing serious.

Commander Haack reported that the USS Barney will arrive at Bandar Abbas Saturday for a four-day visit.

The Ambassador asked Ms. Dearsman for the latest on Section 911, and the meeting was adjourned.

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MEMORANDUM OF CONVERSATION

SUBJECT: Armenian Leader's Views on Iranian Political Stability

PARTICIPANTS: Diyair Panossian, Armenian Archbishop of Tabriz
Der Houanessian Vartan, local businessman and Tabriz delegate to the National Armenian Council
Michael J. Metrinko, American Consulate, Tabriz, Iran

DATE & PLACE: May 20, 1978, The Archbishop's Residence in Tabriz

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During the course of a four hour conversation and dinner held at the Archbishop's residence, Panossian expounded at great length on his fears for Iranian political stability. He claimed he has already voiced his views to the Armenian Catholics and to his own local advisory council, and that since the February events in Tabriz and the spread of violence throughout Iran, both the local Azarbaijan Advisory Council and the National Council in Tehran have begun to take the matter under very serious consideration. In his recent meetings with members of the upper hierarchy in Isfahan and Tehran, proposals for action in the coming troubles were a major topic of discussion. It is no longer a question of "if there is trouble," said the Archbishop, but exactly "when" the trouble will really begin.

Panossian claimed he has been undergoing a severe trial of conscience in the matter of Iran's future, and especially as it affects the present viability and future of his own episcopal see. At one point the Armenian congregation in the Azarbaijan numbered 200,000 people, he said, and now at the very most there are perhaps 7,000 left. The cultural and historical heritage of the Armenians in this area is immeasurable, even to the extent of Tabriz having been founded by an Armenian king and having gotten its name from the Armenian language. There are countless remnants of the Armenian presence scattered throughout the area, vacant monasteries, churches, old graveyards, etc., and the Archbishop feels a definite responsibility for these historical remains. When he first came to Tabriz, Panossian said he was following instructions and his own urges to try to maintain the Armenian community here as a viable and living one. He has now changed his mind, and albeit with deep regret, is establishing a personal policy of helping his followers to leave Iran. He cannot see any real future here for Armenians or Christians as a whole, and is caught between maintaining a very ancient and valuable religious presence in the Azerbaijan, or thinking about the real safety of his people.

PO:MJMetrinko/pjn

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Referring to our conversation immediately after the Tabriz rioting in February, Panossian said that he had not fully formulized his thinking re the stability of the Iranian regime at that time, and was more affected by feelings of relief that his community had not been targeted. The events had also been too recent to be thoroug analyzed. Since then, however, he has been traveling constantly throughout his see, has made a hurried trip for consultation to Aleppo, Damascus and Beirut, and has taken part in meetings with the Armenian hierarchy in Isfahan and Tehran. The reports he has received and meetings and discussions he has had all point to seri trouble, he said, and he no longer believes the Pahlavi regime wil survive it. Panossian feels that the police and gendarmerie will be unable to maintain order, and speculated on a scenario where th army would eventually take control of Iran. It is not a vision he relishes, and he especially fears the interregnum, with the hither untouched Armenian community being targeted by fanatical elements for its supposed wealth and non-Moslemness before order can be restored.

NOTE: Panossian has recently been contacted by the Armenian hiera in the United States since high-ranking clerical and over one hund lay pilgrims want to come to the Azarbaijan in July to participate in the annual ceremonies at the "Black Church" (Kara Kilisa). He has not yet decided what his answer should be, but I suspect that if he informs them that the trip should be canceled because of poli instability here, the reverberations in both the U.S. and Iran wil be serious. If so many wealthy and Iran-connected Armenians cancel their long-planned trip, it could be openly construed that this still influential group has lost confidence in the regime here.

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E.O. 11652: GDS

TAGS: PINS, PINT, IR

SUBJ: PUBLIC REACTION TO SHAH'S INTERVIEW

REF: TEHRAN 04584 (NOTAL)

1. OVER THE PAST FEW DAYS AMBASSADOR AND OTHER EMBOFFS HAVE BEEN GETTING REACTIONS FROM VARIOUS INFORMED AND LESS-INFORMED MEMBERS OF THE PUBLIC TO THE SHAH'S INTERVIEW OF MAY 13. A LARGE BODY OF OPINION APPEARS TO HAVE BEEN SURPRISED, DISAPPOINTED, AND PERHAPS EVEN A LITTLE SCARED BY WHAT THESE PEOPLE PERCEIVED AS INDECISIVENESS, NERVOUSNESS, AND IMPRECISION IN THE WAY THE SHAH CONDUCTED THE INTERVIEW. THEY TELL US THEY HAD EXPECTED THIS FIRST INTERVIEW GIVEN ONLY

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OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

-105-

FOR IRANIAN MEDIA REPRESENTATIVES AND CONCENTRATING MAINLY ON DOMESTIC AFFAIRS TO BE DEFINITIVE AND GIVE THE LEAD TO GOVERNMENT AND PEOPLE IN FACE OF A VARIETY OF UNCERTAINTIES CREATED HERE BY ALMOST DAILY DEMONSTRATIONS AND VANDALISM THROUGHOUT THE COUNTRY AS WELL AS SOME PRETTY WILD RUMORS.

2. UNLIKE HIS BEHAVIOR IN THE PAST IN SUCH APPEARANCES, THE SHAH WAS PERCEIVED AS NERVOUS, SOME THOUGHT PERHAPS EVEN A BIT SHAKEN OR SCARED. HE DID NOT ANSWER QUESTIONS PUT TO HIM, FOR EXAMPLE A DIRECT QUESTION ON THE REASON BEHIND THESE PUBLIC DEMONSTRATIONS AND OUTBURSTS. HE DECLINED TO GIVE THE FIGHTING ANSWER AS HE HAS IN THE PAST, I.E., BLAMING FOREIGN INVOLVEMENT AND RED AND BLACK REACTIONARIES, BUT NEITHER DID HE TRY A CONCILIATORY LINE, WHICH WAS ANOTHER POSSIBILITY. MANY IN THE ESTABLISHMENT WHO SUPPORT THE SHAH AND COUNT ON HIS LEADERSHIP FELT THAT HE HAD FALLEN BETWEEN TWO VIABLE APPROACHES: EITHER FIRM AND HARD LINE OR SOFT AND CONCILIATORY. INSTEAD, THEY FIND IT DIFFICULT TO INTERPRET WHAT HE SAID OR GLEAN AN IDEA OF THE DIRECTION IN WHICH HE WANTS THEM TO GO.

3. INTERESTINGLY, ONE EMBASSY CONTACT WHO SEES A GOOD DEAL OF THE CONSERVATIVE RELIGIOUS ESTABLISHMENT SAYS THAT THE INTERVIEW WAS RELATIVELY WELL RECEIVED IN THOSE CIRCLES. IT WAS PERCEIVED AS SUFFICIENTLY CONCILIATORY TO PERMIT HOPE OF SOME SORT OF DIALOGUE BETWEEN THE LEADERS OF

ISLAM AND THEIR MONARCH.

4. COMMENT: EMBASSY SEES THIS INTERVIEW AS ANOTHER EXAMPLE OF THE SHAH'S UNCERTAINTY AT THIS STAGE OF HIS INTERNAL LIBERALIZATION PROGRAM. HE IS EMBARKED ON AN UNFAMILIAR VENTURE: TO LOOSEN THE REINS OF POWER AND PERMIT EXPRESSIONS OF OPPOSITION FROM A VARIETY OF QUARTERS WITHOUT ALLOWING THE FORMATION OF A CREDIBLE THREAT TO HIS DYNASTY. HE ALSO HOPES BY THIS MEANS TO CREATE GREATER POPULAR ENTHUSIASM FOR HIS RULE AND PROGRAMS. HOWEVER, HIS EXPERIENCE OF POWER TO DATE HAS INVOLVED WINNING IT FROM OPPOSITION ELEMENTS WHO RESISTED HIS TAKING IT AND THEN CONSOLIDATING HIS HOLD WITHOUT MUCH REGARD FOR HIS OPPONENTS' LIBERTY OF EXPRESSION. WHILE POLITICAL SKILLS MUST HAVE PLAYED SOME ROLE IN THE INITIAL CONSOLIDATION OF POWER, AGAINST HEAVY ODDS AT TIMES, OTHER FACTORS SUCH AS STEADFASTNESS AND FIRMNESS IN THE FACE OF ADVERSITY, COMPLETE LOYALTY, MILITANCY AND READINESS TO CONFRONT BY FORCE AS NECESSARY, ALL PLAYED A MORE IMPORTANT ROLE.

5. THE LONG PERIOD OVER THE PAST 15 YEARS DURING WHICH THE SHAH HAS BEEN PUSHING HIS "SHAH-PEOPLE REVOLUTION" RIDING OVER OPPONENTS OF A RELIGIOUS AS WELL AS LEFTIST CAST HAS DONE LITTLE TO DEVELOP HIS POLITICAL SKILLS. HE HAS GAINED EVEN MORE SELF-CONFIDENCE AND GRADUALLY WORKED HIMSELF INTO A POSITION WHERE HE CONSULTS FEWER AND FEWER PEOPLE IN THE SENSE OF GETTING THEIR ADVICE. MANY IN THE ESTABLISHMENT

REMARK ON THIS SHRINKAGE OF DIALOGUE BETWEEN THE SHAH AND HIS RELATIVELY CLOSE SUPPORTERS. SINCE HIS RULE CONTINUES TO BE HIGHLY PERSONAL AND ALL DECISIONS OF ANY SIGNIFICANCE MUST BE MADE BY HIM, THE PERCEPTION OF WHAT DIRECTION HE IS MOVING IN BECOMES VERY IMPORTANT FOR HIS FOLLOWERS AS WELL AS THE OPPOSITION

6. YET LIBERALIZATION IS PRECISELY SOMETHING WITH WHICH THE SHAH IS PERSONALLY LESS FAMILIAR. HIS DOUBTS AS TO TACTICS TO USE TRANSLATE THEMSELVES TO HIS FOLLOWERS AS SELF-DOUBT: HIS LAUDABLE WILLINGNESS TO EXPERIMENT IN AN EFFORT TO CREATE MORE PUBLIC PARTICIPATION MAY APPEAR AS INABILITY TO MAKE UP HIS MIND. THE NORMAL CONCLUSION THAT MANY DRAW IS THAT HE IS LOSING HIS TOUCH. WE ARE NOT SURE THAT THE SHAH HAS SUFFICIENT FEEDBACK TO REALIZE THIS IS THE IMAGE HE IS PROJECTING AT LEAST IN SOME QUARTERS. THUS, THE GAP GROWS EVEN GREATER BETWEEN THE SHAH AND MANY OF HIS FOLLOWERS AS HE STRIVES FOR A VIABLE POLICY WHICH WILL BE AS CONSISTENT AS HIS POLICIES HAVE GENERALLY BEEN IN THE PAST. IRONICALLY, THE SHAH'S OWN WELL DOCUMENTED RECORD OF UNUSUAL CONSISTENCY ON MOST QUESTIONS (SOME CALL IT STUBBORNESS) WORKS IN THIS REGARD AGAINST HIM.

7. AT THE SAME TIME, THERE IS LITTLE DOUBT IN OUR MINDS THAT THE SHAH REMAINS MASTER OF ALL NECESSARY INSTRUMENTS OF POWER. THUS, THE REALITY IS DIFFERENT FROM HIS IMAGE. THE SHAH IS MORE OPEN-MINDED AND READY TO SHIFT TACTICS

THAN MANY OF HIS HARD-LINE FOLLOWERS. WHAT MIGHT SUGGEST WEAKNESS AND SELF-DOUBT TO SOME OF THEM IS PROBABLY SEEN BY THE SHAH AS THE WORKING OUT OF A DIFFICULT PROBLEM.

SULLIVAN

INDICATE TO WHOM ADDRESSED

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	FROM: AMEMBASSY TEHRAN	CLASSIFICATION: CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

ACTION: SECSTATE WASHDC

INFO: AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
AMEMBASSY LONDON
USCINCEUR VAIHINGEN GE
USINT BAGHDAD
CONFIDENTIAL TEHRAN 05184

E.O. 11652: GDS
TAGS: PEPR, IR, PINS
SUBJ: IRAN: WHY THE SUDDEN QUIET?

1. DESPITE AN OCCASIONAL INCIDENT HERE AND THERE, ADDRESSE
WILL HAVE NOTED THAT RELATIVE QUIET HAS REPLACED THE RECENT

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TURBULENCE ON IRAN'S INTERNAL DISSIDENT FRONT. WHILE ONE O
MORE INCIDENTS OCCURRED ALMOST DAILY OVER THE PAST COUPLE O
MONTHS, THE NUMBER HAS RECENTLY FALLEN TO THREE OR FOUR A
IN ATTEMPTING TO EXPLAIN WHY THIS IS HAPPENING WE OFFER TH
FOLLOWING THROUGHTS.

2. THE CRACKDOWN ON STREET DEMONSTRATIONS AND VANDALISM
ANNOUNCED BY THE GOVERNMENT AND PUT INTO EFFECT BY THE SEC
SERVICES AS OF MAY 11 WAS PROBABLY ONE REASON. ARRESTS OF
SEVERAL HUNDRED DEMONSTRATORS IN TEHRAN ALONE (ONLY SOME O
THEM SINCE RELEASED) HAS PROBABLY REDUCED THE NUMBER OF
ACTIVE, TRUSTWORTHY CADRES AVAILABLE TO THOSE WHO WOULD

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MAKE TROUBLE ON THE STREETS. IT HAS PROBABLY SCARED OFF CASUAL DEMONSTRATORS WHO WOULD PREFER TO HIT AND RUN WITHOUT BEING ARRESTED, WHILE FORCING THE LEADERSHIP (PRO-KHOMEINI OR OTHERWISE) TO GIVE SOME THOUGHT TO RATIONING ITS CADRES FOR THE LONG HAUL.

3. the second reason probably is that 40-DAY COMMEMORATIONS AT THE END OF MOURNING PERIODS FOR DEMONSTRATORS KILLED IN CLASHES WITH SECURITY SERVICES PROVIDE EXCELLENT OPPORTUNITIES FOR DEMONSTRATING IN A MORE FAVORABLE CONTEXT THAN OTHER TIMES. ATTENDANCE AT MOSQUES ON SUCH OCCASIONS GIVES POTENTIAL DEMONSTRATORS AN INNOCENTLY LEGITIMATE PURPOSE TO CONGREGATE AND BUTTRESSES THEIR PLEAS OF INNOCENCE IF THEY ARE SUBSEQUENTLY HAULED BEFORE A CIVILIAN COURT. BY THE SAME TOKEN, SUCH OCCASIONS HELP TO MOBILIZE MORE DISINTERESTED RELIGIOUS PEOPLE IN SUPPORT OF THE RING LEADERS, THUS SWELLING THE SIZE OF THE DEMONSTRATIONS AND GIVING GOVERNMENT SECURITY SERVICES A MORE TYRANNICAL APPEARNANCE AS THEY TRY TO ESTABLISH LAW AND ORDER.

4. PERHAPS THE MOST IMPORTANT OF ALL REASONS DERIVES FROM THE MOTIVATION OF THE MAJORITY OF RELIGIOUS LEADERS IN THE COUNTRY. THESE CONSERVATIVES HAVE FOUND IT USEFUL, OR NECESSARY, TO JOIN THE EXTREMISTS MANAGED FROM HIS IRAQI EXILE BY

AYATOLLAH KHOMEINI, BUT THEIR MOTIVATION IS DIFFERENT FR
HIS. UNLIKE KHOMEINI, WHO MAKES NO SECRET THAT HIS INTE
IS TO OVERTHROW THE SHAH AND SEVERELY RESTRICT THE MONAR
THESE LEADERS HAVE MORE LIMITED AIMS IN MIND. CHIEFLY, T
WISH TO CAIL ATTENTION TO THEIR GRIEVANCES. AS LONG AS T
GOVERNMENT WAS PAYING LITTLE ATTENTION TO THEM, THEY HAD
REASON TO WITHHOLD SUPPORT FOR KHOMEINI. NOW THERE ARE I
CATIONS THAT THE GOVERNMENT IS BEGINNING TO LISTEN. THE
SHAH'S INTERVIEW TO IRANIAN PRESS MEN ON MAY 13 STRUCT SO
OF THESE LEADERS AS REASONABLY CONCILIATORY--WHATEVER MAY
HAVE BEEN THE REACTION OF OTHERS CLOSE TO THE SHAH (TEHRA
4836) OR IN THE NATIONAL FRONT LAY OPPOSITION (BEING REPOR
SEPARATELY). WE KNOW THAT EFFORTS ARE ON THE WAY BEHIND
SCENES TO GET DIALOGUE GOING WITH THE RELIGIOUS CONSERVAT
SPLITTING THEM OFF FROM KHOMEINI IF POSSIBLE. SINCE MANY
THESE RELIGIOUS LEADERS SEE THE MONARCHY AS A NECESSARY
INSTITUTION WHICH HELPS PROTECT ISLAM AGAINST COMMUNIST CH
LENGES, AND NO ALTERNATIVE TO THE SHAH IS APPARENT TO ANYO
THEY PROBABLY ARE PREPARED TO BE REASONABLE AND SETTLE FOR
A RATIONAL, RESPONSIVE ATTITUDE ON THE PART OF THE GOVERNM
WITHOUT ANY MAJOR CHANGES IN INSTITUTIONS. RATHER, THEY H
FOR A MORE UNDERSTANDING APPLICATION OF LAWS AND REGULATIO
AND A GREATER, MORE PUBLIC RECOGNITION OF THE CONTINUING I
PORTANCE OF RELIGION IN IRANIAN LIFE.

5. OF COURSE, THE DIALOGUE PROCESS HAS NOT GONE VERY FAR

ND ONLY A FEW TOP LEADERS ARE AWARE OF IT. THUS THERE ARE
IKELY TO BE MORE RELIGIOUSLY ORIENTATED DISTURBANCES IN THE
OMING WEEKS, BUT THEIR MAGNITUDE MAY BE REDUCED AND LONGER
ERIODS OF CALM BETWEEN INCIDENTS. WE HAVE BEEN TOLD, FOR
XAMPLE, THAT MINOR DISTURBANCES ARE POSSIBLE AROUND JUNE 5,
HE OCCASION BEING OBSCURE, BUT PROBABLY RELATED TO SOME
URNING PERIOD. WE ARE ALSO TOLD TO EXPECT MORE SERIOUS
ISTURBANCES AROUND JUNE 19, WHICH IS 40 DAYS AFTER THE
ILLING OF SOME ACOLYTES OF AYATOLLAH SHARIATMADARI IN HIS
M HOUSE BY POLICE MAY 10.

ing
. OUR PURPOSE IN SUPPLY THE ABOVE ANALYSIS HAS BEEN MAINLY
O MARK THE OCCASIONS OF REDUCED VIOLENCE AND TROUBLE HERE
ITHOUT IMPLYING THAT THE GOVERNMENT IS YET OUT OF THE WOODS.
ARD, DEDICATED EFFORTS WILL STILL BE REQUIRED ON THE PART
F GOVERNMENT LEADERS SUCH AS COURT MINISTER HOVEYDA BEFORE
HE TREND OF THE PAST FIVE OR SIX MONTHS CAN BE REVERSED.
UT A BEGINNING IS BEING MADE.

SULLIVAN

ORIGIN/ACTION

RM/R	REP	AF
ARA	EUR	FE
NEA	CU	INR
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AGR	COM	FRB
INT	LAB	TAR
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INFO: AMMAN, ANKARA, ATHENS, BAGHDAD, CAIRO, DAMASCUS DOHA, ISLAMABAD, JIDDA, KABUL, KATHMANDU, KUWAIT, LONDON, MANAMA, MOSCOW, MUSCAT, NEW DELHI, PARIS ROME, TEL AVIV, CINCEUR VAIHINGEN GE

FROM AmEmbassy Tehran DATE: 01 JUN 78

SUBJECT: Iran in 1977-78: The Internal Scene
E.O. 11652: XGDS-2, 4

REF TAGS: PEPR, IR

SUMMARY: Liberalization and uncertainty have key-noted Iran internal political situation in 1977-78. The Shah has stak his prestige on a degree of permissiveness in civil rights freedom of expression which has drawn oppositionists into t open, but he has displayed a measure of uncertainty in indi ting how he intends to deal with them. For a variety of r his desire to create more liberal political institutions i credible, but the innovation involved in the process of suc creation raises uncertainty in the minds of his followers questions as to how long he will be able to keep this "Pando box" propped partly open. Not desiring to yield the ultim control of his present policy-making power, the Shah nevér is trying to instigate and encourage the voice of the "sil majority" to participate in government. The Rastakhiz Par Amouzegar Government have so far had only very limited suc and the Shah has resorted to a variety of legal and extra-l police punitive measures to keep opposition activity under control. Meanwhile, the conservative religious leadership entered the political arena as a disenchanted dissident, a its considerable voice to that of National Front and other oppositionists. The Shah is attempting to split off the religious mass from the influence of extremist religious in gators under Ayatollah Khomeini and from the leftist opposi His approach is still an experimental one, however. End Su

Iran is in a turbulent transition both economically and soc and this circumstance is producing a new political dynamic i this country. It is not yet clear how this dynamic will b channeled or who will ultimately control it. However, thi Airgram makes an effort to analyze its causes and effects.

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Drafted by: ROL:GBLambrakis /AMB:WHSullivan/bjh Publication Approved by: DCM:CWNeas

Clearances:

The most significant events in Iran derive largely from the great spurt of affluence which has resulted from the 1973-1974 quadrupling of the price of petroleum. This affluence has permitted the rapid development of basic infrastructure projects, a forced pace of industrialization, a wave of prosperity which reaches down even to the lower social levels, a vast increase in the number of Iranians traveling abroad, a quantum jump in the number of young Iranians able to afford a university education, sharply higher levels of economic consumption, including an improved diet, better medical facilities and health care, and an inflow of cosmopolitan foreigners to leaven the Iranian cultural scene.

At the same time, the new affluence has produced double-digit inflation, distorted capital values, generated mass internal migration from the rural to the urban areas, attracted illiterate foreign laborers from Asia, lowered labor productivity, produced urban pollution and congestion, broken up the Islamic family and cultural patterns of society, stimulated conspicuous consumption and capital flight, and, in general, raised popular expectations of economic and social improvement to levels which the leadership is unable to fulfill.

Faced with this tumultuous situation, the Shah has come to realize that its complexities are greater than he can continue to manage and direct exclusively. He feels a genuine need, therefore, to decentralize some of his current authoritarian controls and devolve responsibility upon subordinates. His theory is that, if he deliberately creates a prosperous middle class, and if that group feels a grateful identity with the monarchy, his position and that of the dynasty will be strengthened. He therefore deliberately sponsors the broadest access to university education and seeks to attract university graduates into state and para-statal institutions by the provision of significant material rewards.

These rewards are further enhanced by the opportunities for "bakshish" and corruption which unfortunately permeate the traditional Iranian social system. Thus, the young, newly educated Iranians readily accept the opportunities open to them and become inducted into the middle class as servants of the system. Politically, however, they remain aloof and privately they are cynical about the structure of their state. They are, consequently, questionable candidates for the role which the Shah foresees for them.

Their attentisme is further complicated by the fact that the Shah has not yet decided what political institutions he will

create to permit a political forum for the new middle class. The Senate and the Majles are little more than government instruments--as is the Rastakhiz Party, the one-party political organizations to which, in theory, all Iranians of voting age belong. However, the party (created in 1975) is lethargic and uncertain about its own function except as a mouthpiece of the monarch.

The monarch, in the meantime, proceeds with what he likes to call "liberalization." This means a considerable relaxation of press censorship, a tolerance of political criticism and of minor manifestations of dissent, and a more genteel system of police controls than in the recent past. He is nettled by the consequences of this change, and puzzled by the failure of external critics (primarily western) to appreciate his enlightenment. He is also perplexed about how to deal with the sort of dissidents who abound in the latter part of the decade of the 70's.

In this report we shall attempt to trace some of the events which have occurred in the last year and a half or two and examine the juncture to which these events have led the country.

The Shah's basic commitment to liberalization made its appearance in mid-1976. One can speculate as to his reasons. Undoubtedly the Shah wishes to prepare the succession of the Crown Prince and knows his successor cannot rule in the same autocratic manner that the Shah has gradually assumed over 36 years of sometimes hazardous experience. Again, there probably was a realization on the Shah's part that a society as large and complex as Iran is getting can not be run by as small a group as before. While this is an old thought, said to be in his mind as long ago as 1961, his difficulties in coordinating economic development and avoiding economic problems probably brought home the need in 1976 for more two-way communication with knowledgeable technicians and others so that he could be assisted in formulating policy and be better served in having it carried out. The need was felt all the more strongly as trusted advisors died off or appeared less capable of providing answers to the problems of the modern technocratic society. This in turn probably convinced him that some political means of mobilizing popular opinion was necessary both as a check on the power of individuals in the large bureaucracy and as a source of initiative in the provinces beyond Tehran. Finally, it could not have escaped so astute an observer of the world scene as the Shah that criticism emanating from the U.S. Congress on human rights policies in Iran and elsewhere by mid-1976 would be reinforced if candidate Carter became president and implemented his own serious human rights concerns.

The First Stage:

Early signs of the liberalization came in exhortation to the Rastakhiz (Resurgence) party to consult more with its membership in depth and discuss issues of importance to the country. This process was couched in the belief that the Rastakhiz Party could operate as separate from the government but a critic of the bureaucracy both in Tehran and the provinces. When the party was not very effective in this task over the period mid-1976 to mid-1977 the cure attempted was to transform it in effect into another instrument of government, presumably so that its cadres and the public would take it more seriously.

A second aspect of liberalization was the introduction of some changes in legal procedures affecting political detainees or prisoners so as to give them greater access to civilian attorneys, provide for better due process and generally reduce or abolish abuses such as torture. These changes were eventually incorporated into a bill passed by parliament which officially went into effect in November 1977. A dialogue was maintained by the Shah with William Butler, President of the International Commission of Jurists (ICJ), which helped trigger some of these legal reforms. Less fruitful contact in Tehran and in London with Amnesty International's Martin Ennals continues, though its effect has yet to be felt in any direct, significant way. There were also very useful prison visits by the International Red Cross, which have by May 1, 1978, resulted in the assignment of a resident ICRC representative in Tehran.

A third aspect was more permissiveness in regard to freedom of expression. Mimeographed leaflets attacking the government, calling for a return to constitutional law, for more freedom of expression and better jurisdictional practices, and a variety of smaller demands were allowed to circulate albeit informally and by hand, and their signers were not arrested. These people were for the most part educated professionals: businessmen, teachers, writers, even judges and lawyers. They did not preach violence but derived many of their ideas from the 1950s, a period in which the National Front under Mossadegh presented the Shah his most serious, and almost lethal, challenge. Groups believing in 19th century liberalism came to be lumped in with left wing and communist groups in the "national front" opposition to the Shah.

Despite this long history, the writers of the tracts in 1977-78 were for the most part acting as individuals or leaders of small groups of educated, non-violent, people who had no obvious ties to the small terrorist groups with extremist

Islamic or Marxist ideology that have operated in Iran for several years. They did serve to inspire the students, however, who contributed the spark of violence in this first stage. While student demonstrations have been traditional in Iran, even during the later 1960s and early 1970s when no other signs of dissidence (leaving aside occasional terrorist incidents) were manifest, those which occurred in late 1977 spilled beyond university campuses and caused greater commotion than anyone remembered since 1963.

Police eventually brought these demonstrations under control and for the most part to a halt. But they were assisted on one or two occasions by disciplined groups of so-called "workers" in civilian clothes who obviously acted as extra-legal arms of the government. A group of these people also broke up the one large meeting that left-wing intellectuals of the old National Front tried to hold in a private home near the city of Karaj, outside of Tehran. The Government was also concerned by signs of cooperation among all opposition groups with each other, the students, the terrorists and beyond them the religious mass of the population.

Opposition Reaction:

Opposition reaction to these Government measures had several aspects. The terrorist movement, partly through persuasion by leaders among the oppositionists whom they respect, desisted from further incidents and agreed to wait and see what results this internal liberalization would lead to--particularly as everyone assumed the Shah was acting under U.S. pressure. Some of the leaders who were at the Karaj meeting went back underground, and created a coordinated front or two among various small groups which have continued to distribute broadsides critical of the government. Others formed a "Commission for Human Rights and Freedom" which, while unregistered and unrecognized by the government, has set itself up as a distinct organization in opposition to the formal government bureaucracy headed by Princess Ashraf which represents Iran in international fora dealing with human rights. Another section renewed the activities of the "Iran Writers Association," which has never been allowed to register since its creation some eight years ago but has fairly effectively challenged the credentials of the more formal organization for writers and artists which the government has patronized. Links were undoubtedly extended with religious oppositionists--the most important being Ayatollah Khomeini, who was exiled to Iraq after the 1963 disturbances which accompanied the Shah's land reform legislation, legislation to give more rights to women, and other aspects of the "White Revolution." The extent to which such links were forged is not exactly known, but their existence became important in the second stage.

The Second Stage:

The oppositionist links with religious leaders jumped into prominence in January 1978 when a large, significant anti-government demonstration in the religious center of Qom broke out on the anniversary of the Shah's White Revolution. Its proximate cause is said to be an ill-timed and perhaps misguided article attacking Ayatollah Khomeini which appeared a day or two before in the daily Ettela'at. Far from being Khomeini henchmen, the demonstrators represented a cross-section of conservative religious feeling and their main spokesman became Ayatollah Shariatmadari, a religious leader with even more impressive credentials that Khomeini. Up to that time, Shariatmadari had been cooperating with the government. The Ettela'at article was printed at express government insistence, and spokesmen for the religious conservatives claim to have been outraged when their demands to print a reply in the same pages went unheeded by the Minister of Information. The violence at Qom, which resulted in close to two dozen deaths, set off a brush fire of religious opposition which manifested itself regularly over the months that followed in a variety of small incidents all over the country. It has rehabilitated Khomeini in the eyes of his fellow religious leaders, so that tape recordings and leaflets by him or his supporters get wide circulation in Iran today through the bazaar underground.

The 40-day commemoration of the death of the "martyrs of Qom" resulted in an even more serious outbreak in the northern city of Tabriz, where mobs rampaged through the city gutting banks and many other public institutions with particular emphasis on the bank Saadarat, whose main owner, a Bahai by religion, has been unpopular with conservative religious Islamic leaders for some years. Tabriz is a center of the Turkoman culture--people who take their religion more seriously than others and owe particular allegiance to Shariatmadari as a native son. The severity of this outbreak, too, is generally blamed on mishandling by government authorities, who, according to various reports, insulted and/or killed one or more leaders of groups which were seeking to assemble for prayer in the main city mosques in response to Shariatmadari's call for a memorial on that 40th day anniversary after the Qom "massacre." The decision to close these mosques and other mismanagement were attributed to the provincial governor, chief of police and other security forces, and they were all replaced after the February events.

One government reaction has been the "exiling" of several top religious leaders by uprooting them from their followers and forcing them to live in other parts of the country. This measure has never been mentioned by any of the media, as the government presumably understands the counter-reaction it might provoke if such measures were generally known and publicized.

The bombing of the homes of a few well-known dissidents (of a non-religious cast) and severe beatings administered to two of them were other examples of government reaction. The government, including the Prime Minister, claims no responsibility for, or knowledge of, these outrages which were performed by an organization which identifies itself as the "Underground Committee for Vengence." But there is little doubt in the popular mind that some section of the government is responsible, with most believing it is SAVAK, the secret security service, under explicit sanction of the Shah.

Still another tentative government reaction has been the rounding up of demonstrators by a new group which made its appearance in April under the name of the "Resistance Corps." Supposedly acting as a successor or arm of the "Civil Defense Corps," which was formed a few years ago and resuscitated with some fanfare by Prime Minister Hoveyda in May 1977, the Resistance Corps appears to consist of able-bodied young men who are prepared to tackle students and other miscreants and to turn them over to the police for legal arrest. The organization falls under authority of the Gendarmarie, but we have heard that many other security instruments and ministries contribute to its manpower and its work. Its largest manifestation to date was an attack launched on some 200-300 students in the hills above Tehran's National University on a Friday in April when the students had gathered to exchange anti-government slogans and make anti-government speeches. "Resistance Corps" men met resistance from the students and a dozen helicopters full of riot police then arrived on the scene to arrest most of the students after extensive bloodying of many. Since they were arraigned before civilian court, according to the new procedures, the state prosecutor's office reportedly ordered an investigation into why so many of them were so seriously injured in the process of arrest. Nothing more has been heard of this investigation, but neither has the Resistance Corps been heard from in the past few weeks.

Opposition Reaction:

The opposition's counterreaction at this stage has been notably in taking advantage of the government's increasing use of the civilian court system. The trial of a number of students arrested in connection with disturbances in December permitted a field day to some 43 lawyers defending 16 of those charged (many were released for lack of evidence), and some of the top lawyers in opposition made ringing statements in defense of freedom of expression. Despite the eloquence of the defense most of the defendants (11 of 16) were eventually sentenced to five-month prison terms. That case is still under appeal, and the lawyers are preparing for more cases. An example is the complaint lodged by six of the opposition leaders whose homes were bombed or who were beaten (first paragraph above).

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The most serious counterreaction, however, continues to come from conservative religious elements, whose supporters are obviously very angry at the government and who account probably for the vast majority of small incidents that have been occurring almost daily around the country. The issue has been joined and the government and the religious opposition are having difficulty communicating with each other. Unless there is some better dialogue it is difficult to foresee an early end to these repeated disturbances.

Assessment:

There is little reason for us to doubt the Shah's commitment to liberalization, which he has stated publicly on several occasions and has confirmed privately to the Americans and other ambassadors here. It is obvious, however, that he is having trouble keeping Pandora's box only partly open. His original experience at encouraging freedom of expression led to vitriolic attacks on the government and built expectations of more serious internal reform than what he perhaps had in mind when he started. (The extent of the public reaction appears to have given him pause.) It is extremely doubtful that the Shah wishes or would ever accept any serious diminution of his policy-making power. It is equally obvious that he will not permit events to escalate to the point where national security, as he sees it, would be threatened. Yet events have escalated, partly because moderation seems foreign to the Persian soul, partly through his own doing or through the mistakes and vacillation of his assistants (SAVAK, police, administrators, Party officials). He has therefore improvised a patchwork of ad hoc measures which have not always been well constructed and are unlikely to remain for long. More important, he has failed to provide clear operational guidelines for his administrators and security people in dealing with dissenters.

Among the methods most outraging liberal opinion, both in Iran and elsewhere, are the bombings and beatings of respectable opponents who are able professionals (lawyers, writers, doctors, engineers, businessmen), and the use of strongarm squads against students or oppositionists either under the guise of "irate workers" or of the "Resistance Corps." Efforts by the Resurgence Party faithful to explain away these extra-legal steps as the resentful wrath of a silent majority are not persuasive, and the Party is losing what few chances it has of mobilizing general public opinion.

At the same time, it is not clear how the Shah evaluates the seriousness of and potential dangers from the conservative religious

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*(Since this was first drafted, a tentative dialogue has begun.)

opposition. The Embassy's soundings among religious leaders suggest an underlying basis of loyalty to the Monarchy and to the independence of Iran as the Shah evisions it, but increasing unhappiness at the breakdown of communications between the religious leadership and the Shah. These leaders view themselves as the backbone of opposition to the spread of communism in Iran and, indeed, the people chiefly responsible for having saved the Shah, his throne, and an independent Iran during the Mossadeq crisis of 1953 (which is true to a considerable degree if one overlooks the role of the Army itself, or subsumes it as being responsive--in its draftee ranks--to the appeal of Islam against unbelievers). They resent the prominence in the GOI bureaucracy attained by many former Tudeh communist party leaders. They suggest a possible conspiracy by such leaders to cut the Shah off from his people. They naturally view the various secularizing programs in which the Shah is interested as inimical to the true Islamic character of Iran.

At the same time, the Shah's new directives to his security forces, such as instructions to desist from torture, to bring people arrested up for charges soon after their arrest, to use civilian rather than military courts, to discontinue preventive arrest on suspicion, are disorienting. Those in charge of securi are being told they will be held responsible for any major new outbreaks (such as those in Tabriz and Qom) but are also being prevented from using the time-honored methods of arrest, long imprisonment, and manhandling--if not worse--to get at the threat. Security forces were not very effective in Tabriz, and there is obviously considerable trepidation in official circles as to the extent of their effectiveness when challenged again. Riot police and units of the military have been used to assist the regular police but it would be foolhardy to rule out more serious incidents occurring, and the Shah being faced with the predicament of going back on his promise of liberalization or facing a serious breakdown in the morale and capabilities of his security forces.

The rioting in Tabriz, Qom, and Tehran May 8-11 which elicited the Government's announcement of a crackdown on street demonstrations is the first of a possible series of steps backing away from liberalization which the Shah might undertake. The Chinese experience of letting a "Thousand Flowers Bloom" and then choppi them down would be pertinent. It would reinstall firm rule as it existed prior to the reforms of 1976-78. But it would also represent a retreat from the reasons he had for starting that liberalization (the succession, more delegation and advice, greater political maturity of the population) and diminish his prestige. It is too early as of this writing to be definitive o

the direction the Shah will take. He himself is undoubtedly still feeling his own way. For the moment (May 11) he has announced that liberalization will continue.

Therefore, if our assessment is essentially accurate, the Shah will have to make some hard decisions in the near future, particularly if the summer turns out to be violent. At present, government spokesmen are still talking of "Islamic-Marxist opposition" and lumping together "red and black" or "left and right" reactionaries. They are also alleging foreign influences behind this opposition, presumably in an effort to save face and preeempt the appeal of patriotism on behalf of the government. Some of the Shah's own recent attacks on "old and new colonialism" can be seen as a conscious effort to draw the mantle of patriotism more tightly around himself and attract positive political support as well as discredit the opposition.

All this plays into the hands of his opposition. It unites rather than divides them. In the past, the Shah successfully divided his opponents. Iran undertook and won the battle against Russian encroachment in Azerbaijan and Kurdestan before turning against the British oil interests. The Shah's defense against left-wing elements led by Mossadeq prospered because conservative Islam was behind him. When he struck against land owners and the Islamic establishment in 1962 and 1963, the left-wing had been reduced to impotence. He seems to have been neglecting those lessons to date--though some of his recent comments to the Ambassador (and at least one article in a local newspaper) suggest he maybe beginning to revert to that strategy.

There are plenty of seeds of division among the opposition. The religious people themselves make no secret that they are divided into many groups and strains of opinion, and all that has coalesced them is the dominant resentment of government behavior. The so-called "National Fronters" in fact include groups from far left socialism to 19th-century-liberalism, who are by no means prepared to work for the victory of each other. The violent and non-violent, the Khomeini extremists and the small groups of terrorist guerrillas, all represent diverse interests which would not combine against the government if the government were clever in keeping them divided.

There is little doubt that the Shah will not abandon his vision of a secular Iran allied with the secular West rather than with Islamic nations such as Saudi Arabia, Libya and Pakistan, but his movement toward that goal has to allow for the tactic of comparison with the powerful religious conservatives, on whom, in the final analysis, he is still heavily dependent if challenged by some elements of the left or by international subversion with more obvious Soviet backing. He is attempting, therefore, to

open better channels to the religious leadership and will doubtle act on some of their complaints. If done deftly, this should to a long way to assuage them and lead to a breakdown of opposition unity.

This still would not in itself get the Shah closer to the greater degree of political participation which he requires both for bett management of his complex economic and social system and for pre- paring the way of a successor. But it would divide the opposition repair his links with his natural conservative allies and restor some sense of law and order in which he can continue to pursue his basic objectives.

SULLIVAN

SECRET

CONSULATE PRINCIPAL OFFICERS CONFERENCE

TEHRAN, JUNE 5, 1978

THOSE ATTENDING: Dowling, Thomas
Grierson, Jack
Hart, Howard
Higham, James
Kleiber, Micki
Cusack, Thomas
Lambrakis, George
Martin, Joanna
McGaffey, David
Metrinko, Michael
Naas, Charles
Rogers, Kenneth
Stempel, John
Taylor, Clyde
Tomseth, Victor

George Lambrakis reviewed political developments over the past year, noting that the Shah has begun to liberalize the Iranian system. The government has expressed a belief in political participation and recent demonstrations have raised the question whether the Shah is in full control or not. Has the process come so far as to be irreversible? Old political leaders of the National Front are reemerging in opposition. Religious people, including several Ayatollahs, are becoming more political This has been reflected in increased student activity which reflects all groups and not a unified student point of view. The army and senior civil servants are becoming concerned about this process and there is a question whether they will react against liberalization.

DISCUSSION:
Tomseth noted that the National Front groups were not active in Southern Iran. In Kerman, however, the National Front was the best organized opposition element and had finally surfaced in May 1978. Religious elements are basically split into two groups: 1) those with well thought out political positions on the Monarchy and the Islamic Community, and 2) a larger group from traditional or rural backgrounds who are unhappy with modernization. These derive leadership from the first group. Students in Shiraz are ambivalent; they favor modernization but reflect the uncertainties of traditional backgrounds.

McGaffey noted that the Shah certainly has the power to do what he wishes and enforce policy. In Isfahan people believe that the Shah does not know the breadth and depth of popular discontent. There is a major new element: civil servants and Ministry officers fear the Shah may give into the traditionalists and destroy the precarious position of the modernists. Hence, there is pressure from the bureaucrats favoring strong action against discontent. Ayatollah Khomeini is very powerful in the Isfahan bazaar. Many Isfahani religious leaders do not like him but feel they must accept him since he has widespread popular support. There is also discontent among other modernists, i.e., investors, factory owners, workers. Investors feel they have been tricked into reinvesting their profits locally while workers who were promised participation have seen their salaries fall back in real terms over the past year.

SECRET

Metrinko said Tabriz is "a different country". People do not speak Persian, and the history of Azarbaijan has always been one of separatism. City government has virtually ceased to exist due to constant transfers--sometimes 2-3 men in four months in the same office. The University at Azarbadegan has only held four of its sixteen weeks of classes. The killing of students in early May turned the University staff against the government. Religion is a vital force in Tabriz, which is not a progressive city. Virtually the only entertainment that exists is through the mosque. The normal social structure has been reduced. Social clubs and movies have been closed. In Tabriz, Empress Farah (who is widely respected elsewhere) is despised even by members of her family, who claim the Tehran Dibas have ceased being Turkish. There is some belief the Shah is not fully informed about what has been unleashed in Tabriz.

Metrinko noted it would be difficult to reimpose strict authori There is some belief that conscript troops might not fire on Tabrizis if they believed people were rioting for religious reasons. In February, troops were told communists were trying to take over. The officers now realize the rioters were not communists and sense they were fooled. However, the army staff feels it could handle any eventuality McGaffey interjected that when the Isfahan helicopter base went on alert after the Afghani coup, only the officers flew these aircraft--enlisted trainees were assigned to classroom work. Many feel the GOI ha lied about the demonstrations.

MODERNIZATION AND RELIGION:

Tomseth noted that a whole range of discontents arising from modernization are beginning to surface. Iranians claim modernization is taking away a sense of identity. If so, political liberalization has merely made manifest a process going on for some time.

McGaffey noted younger Air Force officers in Isfahan are committed to modernization and very uneasy about a liberalizati which would give substantial concessions to those opposed. Man of the modernizing elitists see the police as a problem, an obstacle to modernization. Dowling noted that the police offic with whom he deals are committed to their organizations, but modernizers would support the GOI, particularly if they viewed the choice as between a modernizing government and a conservati religious government. Most do not yet view the situation this

Naas raised the question of whether there are such fundamental differences between Shia clergy and civilian government that th could not be compromised. Could the GOI deal with the clergy without being perceived as weak? Some external ideological

influences on Islamic conservatism was noted. McGaffey thought ideology was in second place--each individual was interested in his own well-being and advancement. The emphasis on religion comes from desire for a political comeback by religious leaders. Dowling noted the increase in religious feeling has clearly increased the number of minorities who are seeking US visas. The Armenian archbishop is reportedly encouraging his supporters to leave Iran.

The Tudeh organization is actively organizing by concentrating on propaganda. It is preparing to take advantage of a future situation and ingratiating itself with the mullahs. McGaffey said police remained essentially inactive in Isfahan in the face of growing demonstrations, but were delighted when they were given orders to fire as necessary. The general Iranian belief is that "while the Shah shows moderation, his opponents never will". Belief was expressed that the military will be the final arbiter in a succession crisis. Although there is some religious influence in the military, it is expected to remain loyal to the Empress or the Crown Prince. If the entire royal family is killed, Iran will be up for grabs.

ECONOMIC SITUATION:

Taylor noted that the decision-making mechanism has not proved capable of handling advanced problems of industrialism. Concerning GOI efforts at decentralization, only in the budget area is there effective initiative, and delegation of authority has gone only to the cabinet or highest subcabinet levels. There is lack of an overall labor policy. Worker frustration is becoming visible because of a decline in real wages and the economic slowdown, particularly in the construction industry which has been the chief source of employment for the illiterate and unskilled. There will be large budget deficits now, not beginning in 1981 as earlier projected.

There has been a tilt in economic planning toward autarchy, i.e., the meeting of basic human needs rather than a singleminded commitment to making Iran a "West Germany" by the year 2000. As a result, Iran is making mistakes in the mineral sector, curtailing exploration when it needs more. A main element in developing a viable economic strategy will be to convince the Shah to lower his expectations. Iran can do better than BHN but must abandon the illusions of being a West Germany. Income distribution is badly skewed and the wealthy lack a commitment or confidence which sustains investment. This gives rise to political discontent and economic stagnation. McGaffey suggested people are blaming the economic downturn on the Shah and are looking for a new "great idea"--the functional equivalent of a new oil discovery. Tomseth suggested the GOI will have to make very tough decisions, particularly to placate the middle class which increasingly wants a piece of the action in determining its own fate. Naas noted that one of the major emerging

controversies will be the division of resources between military spending and economic development. It has its political implications and it was agreed that there are substantial military spinoffs to civilian development in certain sectors, but not in the area of used equipment. In response to a question Taylor suggested ways money could be spent which would increase long-range development without fueling the fires of inflation: 1) provide more training in the technical labor areas--vocational training, auto maintenance, etc.; 2) housing--put resources in and eliminate the materials on the black markets---improve worker housing, not luxury construction; 3) phase agricultural spending away from purchasing foreign products toward subsidies which encourage greater local production.

IMPLICATIONS FOR U.S.:
The principal officers agreed the U.S. is becoming, to some degree, a fall guy for Iran's problems. The U.S. is supporting the Shah, hence religious ideologues attack the U.S. as a supporter of the government. Modernists believe the U.S. presence in Iran has pushed up rents and food costs. Students favor the U.S. as a place which offers many benefits, but neither they nor their elders believe it has anything to recommend it to Iran in terms of political philosophy. At the moment, U.S. power is not respected and we are seen as a weak, indecisive nation. At the moment, this view is not making serious inroads on the reservoir of good will held by the overwhelming majority of Iranians. Nevertheless, there are situations in which the U.S. could turn very swiftly into a scapegoat for Persian problems. Modernists will blame the U.S. for the government's economic failings, and oppositionists will blame us for not foisting "our" (their) conception of a political structure upon the Shah.

Draft:POL:JDStempel:lab:7-16-78

Clearance: POL:GBLambrakis
ECON:CDTaylor

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1978 JUN -7 AM 11: 55

DEPARTMENT OF STATE

TELEGRAM

INDICATE
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05451

FROM	CLASSIFICATION	
AMEMBASSY TEHRAN	CONFIDENTIAL	

ACTION: SECSTATE WASHDC

INFO: AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY MANAMA
AMEMBASSY MUSCAT

CONFIDENTIAL TEHRAN 05451

E.O. 11652: GDS
TAGS: PEPR, IR, BA
SUBJ: IRAN'S INTERNAL PROBLEMS: NEED FOR INFORMATION

1. MANAMA, AS WELL AS DOHA, JIDDA, KUWAIT AND MUSCAT, ARE ADDRESSEES ON TEHRAN A-80 POUCHED JUNE 1, WHICH IS ENTITLED "IRAN IN 1977-1978; the internal SCENE." THRUST OF THAT ANALYSIS IS THAT INTERNAL DISTURBANCES DERIVE FROM CONSCIOUS POLICY OF LIBERALIZATION BEGUN BY THE SHAH IN 1976 AND STILL CONTINUING. WHILE LIBERALIZATION HAS ALLOWED UNDERLYING COMPLAINTS AND SOME SERIOUS HOSTILITIES TO THE REGIME TO SURFACE, SHAH AND HIS ESTABLISHMENT STAY FIRMLY IN CONTROL. STUDY ANALYZES VARIOUS TYPES OF OPPOSITON INCLUDING TWO KINDS OF RELIGIOUS GROUPINGS, SEVERAL SHADES OF FORMER AND NEWER NATIONAL FRONT LEADERS, TERRORISTS AND STUDENTS.

[redacted]

DRAFTING OFFICE	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
POL:GBLambrakis/bjh	6/7		DCM:CWNaas

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CLASSIFICATION

OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

2. WE SHALL INCLUDE GULF POSTS MORE FREQUENTLY IN OUR LARGER ASSESSMENTS, THOUGH WE HAVE SO FAR KEPT DISTRIBUTION OF OUR FREQUENT STATUS REPORTS VERY LIMITED. DEPARTMENT MAY WISH TO SEND COPY OF A-80 TO OTHER POSTS IN THE AREA THAT REQUEST INFORMATION AND ANALYSES ON CURRENT EVENTS IN IRAN.

SULLIVAN

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COUNTRY TEAM MINUTES

14 June 1978

Ambassador Sullivan opened the meeting by describing his call with Mr. Naas yesterday on Prime Minister Amouzegar. Among the subjects discussed were the Rastakhiz Party, the nuclear accord, and Colonel Sanders. The Prime Minister indicated he was not too impressed with the idea of a third wing of the Rastakhiz Party. On the nuclear issue, Amouzegar made a constructive suggestion regarding the "time frame" clause and the question of MFN status for Iran. We heard from Washington by telephone that the agencies involved are pleased and are moving ahead on proposing alternative language. The Ambassador also gave the Prime Minister the note concerning Colonel Sanders' copyright problems. The Prime Minister said he would move to have the offending signs changed from "Kentucky Fried Chicken" to "Kashani Fried Chicken."

At the same meeting, the Ambassador gave Bayandor information on the construction budget for Tabriz University. There has been no new Chancellor appointed as of yet and none likely to be in the near future. Mr. Naas will keep tabs on this issue while the Ambassador is away.

The Ambassador asked Mr. Lambrakis to do a biographic study of the various Majles members who have been elected to the Rastakhiz politburo. Mr. Lambrakis was also asked to see that the communique stemming from the Emir of Bahrain's visit to Iran is passed to all our posts in the Gulf area.

The Dutch Ambassador told Ambassador Sullivan that he had heard that the U.S. Navy wanted to build all the frigates. The Ambassador explained that a team of experts was coming to examine what sort of U.S. armor would go on the Dutch frigates.

The Ambassador asked Messrs. Brewin and Gingles about the Brewin-Mills overlap problem and advised them to try and have Mills reinstalled on the Geneva delegation.

The Ambassador gave Mr. Goelz two recent cables concerning our policy on Afghan refugees. He also asked whether anyone was interested in attending a gala performance of Carmen at Roudaki Hall. After a brief pause, Mr. Shellenberger said he would delegate someone.

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Mr. Shellenberger described his discussions with Andrew Whitley of the BBC and then read a long list of complaints about the state of affairs in Iran. The list had been drawn up at the request of His Imperial Majesty by a group of noted intellectuals.

Mr. Brewin reported that he and Mr. Westley have been hearing laments from the Westinghouse people that the Metro project will go to the French, thanks to the closed nature of the bidding.

Mr. Lambrakis announced that June 19 will apparently occur on June 18 this year. The religious activists have all agreed to stay home on that day rather than demonstrate. Mr. Shellenberger said that tracked with Whitley's feeling that the disturbances had peaked.

Mr. Ferree then took over center stage with reports on crop predictions for the coming year and the visit of the Minister of Agriculture to Australia and the United States. To conclude his report, he announced that he had received a request to help Iran find a market for its franckincense and myrhh.

Mr. Adler said he had learned this morning that I. Sihweil, the NRC safety expert, will not be coming to Iran after all. He wondered if perhaps the rejection might be a signal of Iran's displeasure with the lack of progress in the nuclear area. The Ambassador said that the Germans would be affected by the rejection as well, since they had been counting on U.S. safety controls for their reactors. Mr. Adler will follow up with Cyrus Mansur.

Mr. Adler also reported on his attendance at the recent meeting of the Iran Family Planning Association. The word is that the Ministry of Health is not helping at all. The Ambassador suggested that Messrs. Naas and Adler might bring up the topic in any future call on Minister Sheikh.

Mr. Byrnes introduced Robert Powell, the new Acting CAAG.

Ms. Dearsman discussed her meetings with Iranian tax officials who requested "assistance and advice from IRS" computer experts. The Ambassador asked to check with John Macy and Jack Vaughan as such a program may already exist.

Mr. Dedich reviewed his meeting with representatives of the Iranian National Police concerning training in Iran for [illegible].

S/A:RBoyce:ag

Addendum. The author would like to apologize to Mr. Martin for not including his comment that the Westinghouse representatives were fission for complements.

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OPTIONAL FORM NO. 10
JULY 1973 EDITION
GSA FPMR 141 CFR) 101-11.6

UNITED STATES GOVERNMENT

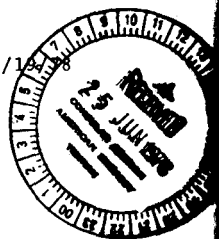
Memorandum

TO : CONS - Mr. Goelz

DATE: 6/1[illegible]8

FROM : SHIRAZ - Victor L. Tomseth

SUBJECT: Principal Officers' Meetings



While I cannot speak for my colleagues, I found our recent principal officers' meeting convincing proof of the utility of holding these gatherings on a regular basis. I continue to believe that some kind of specific theme for each session tends to focus the participants' attention, and hence is a useful device for maximizing what can be accomplished during the relatively short time allotted. I think the first day's seminar on internal politics amply demonstrated this point.

For the future I suggest the following as possible themes:

--The Iranian educational system, the role of students in society, and the impact of study abroad. In addition to the principal officers themselves, I think it would be useful to include individuals from ICA, POL and CONS as key participants.

--Economic development in Iran, prospects for continued growth, and the implications for future political stability. ECON would clearly have to take the lead, but the Agricultural Attache, CONS and POL could also make valuable contributions.

--The country commercial program and the role of the constituent posts. The Commercial Attache and the Trade Center would have to do most of the work, but I would think that considerable emphasis should be given to consideration of practical techniques for improving the constituent posts' contribution to the overall effort.

--The Iranian military's role as an agent for modernization and a political force. If some military officers with field advisory experience could be recruited to particpate along

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

with elements from various Embassy sections and the principal officers, such a session could provide valuable insights to the behavior of a key group in this country.

As for organization of the meetings, I offer the following thoughts: First, sufficient time is needed to fully explore each theme. Three hours proved insufficient to cover all important aspects of the internal political scene. Perhaps a split session--10:00 a.m. to 1:00 p.m. and 2:00 to 4:00 p.m.--would be better. Second, some kind of outline made available to key participants in advance of the session helps establish the parameters of the discussion. Third, a chairperson keeps the discussion from drifting. Fourth, key participants might be asked to take responsibility for a specific aspect of the topic, thereby allowing coverage in greater depth than is perhaps otherwise possible.

As far as the administrative and nuts-and-bolts aspects of consular matters are concerned, I find the roundtable discussion approach a good one. My only complaint in this area is that we have had insufficient time devoted to consular issues. Perhaps an extra hour in the afternoon, say from 1:00 to 4:00 p.m., would be better.

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FM SECSTATE WASHDC
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S E C R E T STATE 167949

2 Jul 78 [illegible] 182009723

ACTION:
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INFO:
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E.O. 11652:GDS

TAGS: PINT, IR

SUBJECT: REPORTED SAVAK REFORMS

REF: CI-315/08750-78 OF JUNE 27, 1978

DEVELOPMENTS OUTLINED REFMSG ARE MOST ENCOURAGING IF FULLY CARRIED OUT. PLEASE CONTINUE TO MONITOR CLOSELY AND REPORT ANY INDICATIONS OF CHANGE IN SAVAK POLICIES OR OPERATIONS. VANCE
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7949

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COUNTRY TEAM MINUTES

JULY 5, 1978

The Charge asked that each Section chief be liberal in granting leave for the afternoon of July 6 to allow time off for those who wish to attend the Independence Day celebration at Lavison. Mr. Naas noted that we shall be flooded with visitors over the weekend. The first to arrive will be Deputy Asssistant Secretary Lou Nozenso from the Department of State who will attempt to push along the nuclear bilateral agreement. Undersecretary Newsom who is visiting South Asia, the Middle East and Europe, will arrive to discuss recent events in the area and will have an audience with the Shah. In addition, Deputy Permanent Representative James Leonard will arrive July 8 to discuss United Nations matters with various GOI officials.

Mr. Lambrakis reviewed local press coverage and remarked that the BBC is in the dog house again following the Whitley report from Afghanistan. There is relative quiet on the internal front. A Resurgence Party official, in castigating those candidates who defect from Resurgence Party, implied that they will be able to run as independents. During our 4th of July reception Nahavandi, in response to a query, said his organization is not going to be quite a "third wing" of the Resurgence Party but rather a "group"

The Charge welcomed our new Agricultural Attache Koy Neeley.

Mr. Martin said he is pursuing the Jordanian Ambassador's request for a status report on the proposed third country transfer of training rockets for use by the Jordanian Air Force with the US-origin F-5s acquired by the RJAF from Iran.

Col. Schaefer introduced the new Naval Attache Capt. Roy Hollingworth. He also announced the proposed visit of Maj. Gen. Sadler, commander of the 21st Air Force at McGuire AFB, to inspect the MAC Terminal.

Mr. Adler reported the Joint Economic Committee visitors concluded the market for solar power is very bright. They found that the Ministry of Energy budget has been increased five fold in this area and there may be market for US companies.

Mr. Dedich will be traveling to the Persian Gulf next week.

Mr. Ryno, following up Mr. Adler's remarks, noted that the Trade Center has filed cables and a final report on the solar energy show. Exhibitors found that there is a most interesting potential market for US firms.

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Cdr. Haack announced the visit of the USS Barney to Bandar Abbas to participate in exercises with Iranian naval units.

The Charge congratulated Mr. Bannerman for a fine job at the 4th of July reception where security was good but not oppressive.

POL:JWMartin:lab:7-5-78

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COUNTRY TEAM MINUTES

JULY 12, 1978

The Charge opened the meeting by announcing that the nuclear bilateral accord was initialled yesterday. The main problem on reprocessing has been worked out, thanks in large measure to Ambassador Sullivan's suggestions of five weeks ago.

The Charge said that Under Secretary Newsom's visit went very well. The main objective in Iran had been to share opinions on the eastern situation. The Shah was sympathetic towards helping Pakistan should they drop their reprocessing plant. If they go ahead with it, the U.S. is constrained by legislation from any further economic or political aid to Islamabad.

Mr. Shellenberger asked whether the nuclear accord would require Senate approval. The Charge said that the treaty would go into force after sixty working days unless either House disapproves.

Mr. Shellenberger reported that political scientist William Griffith is in town and will meet with both the Shah and the Prime Minister. In other ICA news, the Tabriz IAS is turning the corner in terms of having a solvent and flourishing academic program.

Colonel Vander Meer reported that General Gast was with the Command and Control Steering Group. General Azhari is favorably impressed so far and will take up the subject with the Shah this weekend.

Mr. Brewin, the Acting Deputy Chief of Mission, said that the oil consortium representatives were in Tehran last week to reach an agreement to replace the 1973 accord. The Iranians agreed to the new 20¢ discount per barrel, which is down 2¢ from the earlier agreement. The consortium will lift 3.3 million barrels a day.

Mr. Brewin and Economic Counselor-designate Mills met with the head of the Iranian Social Security Administration to discuss the possibilities for an agreement. Within a week or so, Embassy representatives will meet with

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Social Security representatives to work out a draft to send to Washington. We want to keep it fairly simple, but Washington may want something along the lines of the German and Italian models.

Mr. Boyce gave the day's report for the Political Section. After reviewing the latest rumors on Ambassadorial shifts, he reported that the new group of Iranian jurists has recently named its officers and has announced that it will seeks contacts with U.S. human rights groups and the U.N. Human Rights Commission

Nahavandeh's "Third Wing" has published a report criticizing the Amouzegar government's economic policies. The report blamed the Chamber of Guilds for much of the inflation, and now the Chamber has declared its opposition to the report. This move may affect Majlis members who were considering joining the Nahavandeh faction.

Finally, the Mayor of Meshed has announced that any municipal employees found to be involved in corruption or bribery will have their heads shaved (by Madame Mayor) and will be driven through the streets in an open convertible car. This announcement has touched off a hot debate in the halls of the Majlis over the Mayor's legal right to do this.

Mr. Neeley reported that the volume of U.S. exports to Iran totalled $4.3 billion last year and this year appears to be approaching a similar level. Pregnant cows continue to be a popular item. On the wheat crop, he said that, despite the drought earlier this year, the level will reach last year's mark.

Mr. Mills reported on the new Commissary's hours and on the "7-11" store that will remain on the compound.

Mr. Richardson reported that Mr. Goelz left this morning on extended leave for four, six, eight or ten weeks.

Mr. Bannerman introduced new TSO Paul Tubbs and new RSO Dave Marshall.

Mr. Snow reported that IAS is beginning predeparture orientations for Iranian students going to the United States.

EA:RLBoyce:hg 8/24/78

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COUNTRY TEAM MINUTES

July 19, 1978

The Charge opened the meeting by saying that Under Secretary Newsom's talks in Kabul and Islamabad were completed, with the Pakistanis offering their traditional position in a number of areas. We are expecting to receive a summary of the Newsom trip which we will share with the Iranians. Meanwhile, Under Secretary Cooper may visit Iran next week.

General Gast said he spoke with General Graves last night regarding the Charge's message on the F-4 program. We have recommended that the program be re-examined so as to include Group A wiring. This would allow the Wild Weasel to be put on the F-4s at a later date, should we decide to release those missiles to the Iranians. Without the Group A wiring, the GOI probably won't buy the planes.

Acting Deputy Chief of Mission Roger A. Brewin bade farewell to the Country Team after four years of service to the cause of US-Iranian friendship.

Mr. Lambrakis reviewed the internal political situation, announcing that the opposition is planning a mass rally for tomorrow evening on the corners of Takht-e-Jamshid and Pahlavi Boulevards.

Mr. Richardson told the Charge that the Consulate is issuing 600 to 700 NIVs a day.

SA:RLBoyce:hg 8/24/78

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COUNTRY TEAM MINUTES

JULY 26, 1978

The Charge opened the meeting by discussing the telegram he sent last night describing his conversation with General Toufanian. The General said the GOI doesn't want the F-4E's unless they carry Group A wiring. He said that the Shrike offer had confused him and that he and the Shah had decided that the USG must be trying to to unload the Shrikes. They decided to take the Shrikes off our hands if that is what it would take to get Group A wiring.

Dr. Stempel will call the British to see if they have made an approach on Namibia. The Charge will probably go to the Foreign Ministry today on Mauritania and the Middle East. The Charge gave Mr. Mills the results of a recent survey of Embassy personnel management. Mr. Mills will circulate it.

Mr. Zischke reported that IAS Tehran has received a building permit for the construction of a new academic center.

Dr. Stempel introduced a new employee, Larry McKinney, from DEA. He then reported on the story in today's paper on riots in Meshed. He said there were demonstrations all over the country during last weekend, which were mostly peaceful save for one in Jahrom.

Mr. Martin said he spoke with Mr. Precht about the Wild Weasel matter. Undersecretary Newsom is now working to get approval to release the Wild Weasel to the IIAF. This comes after congressional staffers' negative reaction to State's earlier presentation which had called for installation of Group wiring without a commitment to release Wild Weasel until further down the road.

Mr. Taylor reported on the recent Cabinet shifts, noting that PBO has now had three Ministers in one year. He also discussed some rumors coming out of yesterday's Bankers' luncheon concerning the Shah's health.

S/A:RBoyde:hg 7/30/78

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DEPARTMENT OF STATE

Washington, D.C. 20520

June 28, 1978

Charles Naas, Esquire
Charge d'Affaires, a.i.
Tehran

Dear Mr. Naas:

The attached letter from Ambassador Little is self-explanatory. The Intelligence Community Staff is undertaking a follow-up experiment primarily to review the validity of the priority national intelligence needs and to assess the impact and effectiveness of the initial FOCUS review. Must keep in business you know!

We would very much appreciate your candid opinion. Our deadline for getting State views to Ed Little is August 11. If you do have any comments would you drop me a note or send a STADIS telegram Attn: INR/OIL, CCMoor.

As Ambassador Sullivan was in the Department, I showed him the attached package. He pencilled in an additional item on the list of priorities, and agreed that we should go ahead with the review.

Sincerely,

Carol C. Moor
Office of Intelligence Liaison
Bureau of Intelligence and Research

DIRECTOR OF CENTRAL INTELLIGENCE
Human Resources Committee

Office of the Chairman

HRC-C-78-043
21 JUN 1978

Charles W. Naas, Esquire
Chargé d'Affaires, a.i.
American Embassy
Tehran

Dear Mr. Naas:

For some three years the interagency Human Resources Committee has conducted a FOCUS Review Program--assessments of human source reporting from selected US missions abroad in response to national intelligence needs. We enjoy full participation of the Department of State and the various intelligence agencies represented on the National Foreign Intelligence Board. A FOCUS Review on the Mission in Iran was conducted about a year and a half ago, and its results were forwarded to Chargé d'Affaires Jack Miklos by the Acting Director of Central Intelligence on 26 January 1977. A list of priority national intelligence interests which were derived from the FOCUS Review process was forwarded to you on 17 May 1977.

On a trial basis, the Secretariat of the Human Resources Committee, in cooperation with the principal intelligence agencies and the Department of State, is embarking upon a selected FOCUS Follow-up Program of previously conducted reviews. The purposes of FOCUS Follow-ups are to review the validity of the priority national intelligence needs (or interests) and to assess the impact and effectiveness of the initial FOCUS Review in terms of reporting from all elements of the mission. In view of the continued high national interest in the reporting from your mission, and its importance to policymakers in Washington, a FOCUS Follow-up on Iran is one of the initial candidates for this new program.

As an integral part of the follow-up, we would appreciate having your views and those of the country team about the mission's current reporting program and the usefulness of the earlier FOCUS Review. Any suggestions you may have with regard to current reporting guidance and requirements would also be helpful to us.

The FOCUS Follow-up will be conducted in a relatively informal manner and should take six to eight weeks to complete. I am enclosing for your

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Automatic declassification on Date Impossible to Determine

convenience a brief summary of the FOCUS Review format along with copies of the earlier correspondence cited above. I hope that you will be able to assist us.

Sincerely,

E.S. Little

Ambassador Edward S. Little
Chairman

Enclosures:
As stated

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Tehran, Iran

August 1, 1978

Ms. Carol C. Moore
Office of Intelligence Liaison
Bureau of Intelligence and Research
Department of State
Washington, D.C.

Dear Carol:

Re your letter of June 28, in view of the Shah's political liberalization process and the attendant political unrest in the country, I suggest a sub-para under Internal, 1, along the lines: Strength, nature, programs, etc., of the opposition elements and extent of their threat to the regime. Otherwise, the list has held up well with time.

Sincerely,

Charles W. Naas
Charge d'Affaires ad interim

GDS

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COUNTRY TEAM MINUTES

AUGUST 2, 1978

The Charge informed Country Team members that a pipebomb had been thrown over the wall of the Consulate at Isfahan late last night. There were no injuries and no serious damage. We consider this an isolated incident not one involving any of the sophisticated terrorist groups. Mr. Naas cautioned all to review their personal security precautions. On a more pleasant note, the Ambassador's office has received some tickets for the members pavilion at Farahbad race course and Mission staff may sign up for them. With regard to rumors concerning the Shah's health, news photos show him rested, relaxed, tan and fit. A recent personal contact also found him in fine form.

Mr. Zischke reported that the proposed Fulbright agreement seems to be back to square one. The Charge commented that he has studied the question and sees no need for undue haste in pressing ahead with a revised agreement since the old agreement is basically satisfactory to us.

Mr. Westley said the Vice President of International Underwriters attended a recent US-Iran Business Council meeting in London and gave a very upbeat briefing on the meeting which participants found most productive.

Mr. Stempel passed along a Rastakhiz newspaper story which criticized Dr. Amini for his premature declaration of political activity. The local press also reported a UN request to Iran, among others, for contributions to a UN peacekeeping force for Namibia. OSI/Armish Maag has alerted us to a possible demonstration tomorrow at the Tajrish main mosque. Mrs. William Woodside, a Senate Judiciary Committee staffer, called for a briefing on the narcotics scene. She will also see Mr. Dedich. Her husband, the president of American Can Co., will call on David Westley regarding business opportunities.

Mr. Thomas has reported Isfahan bomb incident to OSI and Mr. Bannerman has gone to make an on-the-scene investigation. Col. Philips has asked if the Embassy has objection to issuing an advisory on tomorrow's demonstration which will come at the beginning of Ramazan. Following Country

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Team discussion it was decided to issue a low key advisory pegged to the start of Ramazan.

Mr. Carleton said that the Ministry of Energy has shown interest in obtaining U.S. solar energy experts under AID's 661 provision. The Charge commented that AID is always looking for good projects for that money and solar energy is a possible area for U.S. business opportunity in Iran.

POL:JWMartin:hg 8/2/78

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